



IRICO

彩虹集團新能源股份有限公司
IRICO GROUP NEW ENERGY COMPANY LIMITED*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 0438)

2025

ANNUAL REPORT

* For identification purpose only

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Results Highlights

1. Operating Results

Unit: RMB0'000

Item	2025	2024
Operating revenue	290,505.27	327,622.01
Including: Principal operating revenue	286,829.09	324,636.54
Other operating revenue	3,676.17	2,985.47
Total profit (loss is represented by "-")	-56,006.00	-35,842.74
Net profit (net loss is represented by "-")	-56,034.00	-37,595.38
Including: Net profit attributable to the shareholders of the parent company	-56,034.00	-37,595.38
Minority interests		
Total comprehensive income (loss is represented by "-")	-63,477.46	-32,279.51
Including: Total comprehensive income attributable to the shareholders of the parent company	-63,477.46	-32,279.51
Total comprehensive income attributable to minority		
Basic earnings per share (RMB/share)	-3.1779	-2.1322
Diluted earnings per share (RMB/share)	-3.1779	-2.1322

2. Financial Position

Unit: RMB0'000

Item	31 December 2025	31 December 2024
Total assets	831,335.91	877,527.08
Including: Current assets	284,868.88	310,022.29
Non-current assets	546,467.03	567,504.80
Total liabilities	747,165.35	729,879.06
Including: Current liabilities	488,850.60	527,819.71
Non-current liabilities	258,314.75	202,059.36
Total shareholder's equity	84,170.56	147,648.02
Including: Equity attributable to the shareholders of the parent company	84,170.56	147,648.02
Minority interests		

Results Highlights (Continued)

3. Cash Flow

Unit: RMB0'000

Item	2025	2024
Net cash flows from operating activities	-5,835.07	-51,325.07
Net cash flows from investing activities	-18,250.00	-47,469.01
Net cash flows from financing activities	13,748.11	40,967.36
Effect of changes in exchange rate on cash and cash equivalents	-1.94	0.61
Net increase in cash and cash equivalents	-10,338.90	-57,826.11

4. Key Indicators

Name of indicators	31 December 2025	31 December 2024
Gearing ratio	89.88%	83.17%
Current ratio	0.58	0.59

Name of indicators	2025	2024
Trade receivable turnover (days)	112	76
Inventory turnover (days)	62	53

Chairman's Statement

Dear Shareholders,

In 2025, the Group faced a difficult situation characterized by industry supply-demand mismatch, intensified “involution-style” competition, and a sharp decline in product selling prices. It adopted multiple measures to accelerate technological innovation and value-based marketing, actively responded to risks and challenges, and successfully withstood market shocks and tests.

I am pleased to present the results of IRICO Group New Energy Company Limited (“**IRICO**” or the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”).

Chairman's Statement (Continued)

Business Review

During the Reporting Period, the Group actively implemented a “value-based marketing” strategy to promote the sale of high value-added products, increased the proportion of ultra-high transmittance product sales, and achieved premium pricing. Through initiatives such as the in-depth implementation of the “Three Comprehensives, Six Innovations Loss Reduction and Profit Improvement Project (三全六新減虧增利工程)”, the “8898 Quality Improvement Project (8898質量提升工程)”, the “Millions of Value Innovation Campaign (千百萬價值創新行動)”, the implementation of performance-integrated target cost management, and the comprehensive optimisation of procurement strategies, the Group achieved significant results in cost reduction and efficiency enhancement.

At the same time, the Group continuously strengthened management and technological innovation by increasing investment in research and development, optimising organisational structure and building a skilled workforce, advancing digital and intelligent upgrades to production lines, and carrying out a three-year foundational safety management improvement initiative. These efforts provided strong and sustainable momentum for the Group's production and operations.

Future Prospects

In 2026, the Group will continue to strengthen technological and management innovation. Through measures such as high-standard production line construction, performance-integrated target management, differentiated high-value-added product research and development, technological iteration, and efficient capacity upgrades, the Group will continuously improve product yield, reduce production costs, strengthen sales of high-end products, expand into new business areas, and enhance operational quality and efficiency.

Going forward, the Group will continue to deepen its presence in industrial development, advance the iterative upgrading of its energy security system, and remain committed to strengthening and optimizing its core business. It will strive to build the most innovative and dynamic enterprise in the photovoltaic glass industry, repay its shareholders, and contribute the strength of the Company to the high-quality development of the national new energy industry.

Acknowledgement

On behalf of the board of directors of the Company (the “Board”) and its members (the “Directors”), I would like to express our gratitude to the Company's shareholders (the “Shareholders”), business partners and the community for their care and support. I would also like to express my heartfelt thanks to the management team and all of the employees for their hard work.

IRICO Group New Energy Company Limited*
Yang Hua
Chairlady

Xianyang, the People's Republic of China
25 March 2026

* For identification purpose only

Management Discussion and Analysis

Industry Analysis

During the Reporting Period, the photovoltaic industry faced intensified involution-style competition due to escalating international trade barriers. The slowdown in global PV installed capacity growth led to supply-demand imbalances and capacity mismatches, resulting in a sharp decline in photovoltaic glass prices throughout the year. The PV glass industry is at a critical stage of capacity clearing and structural adjustment, with intensifying competition. Fluctuations in the prices of major energy sources and raw materials posed challenges to corporate profitability, and profit margins continued to be under pressure.

Looking ahead, as global energy transition policies continue to advance, the growing demand for high-efficiency modules will drive an increased share of ultra-high transmittance, high value-added products. The rising demand for multi-scenario application modules will boost the share of differentiated products. Improved grid integration capacity will further unlock the potential for distributed PV development. Driven by stricter environmental policies, energy efficiency standards, and higher technical barriers, the pace of backward capacity clearing will be accelerated.

Business Review

Summary of business results

During the Reporting Period, the Group recorded operating revenue of RMB2,905.0527 million, representing a year-on-year decrease of RMB371.1674 million or 11.33%; the Group recorded a total loss of RMB560.06 million, representing a year-on-year increase in loss of RMB201.6326 million or 56.25%.

The Company's original dividend policy remains unchanged. In light of the absence of accumulated surplus in 2025, the Board has resolved not to distribute any final dividend for the year ended 31 December 2025, which is subject to the approval by the Shareholders of the Company at the 2025 annual general meeting to be held in 2026. Further details in relation to the closure of register of members for H shares will be announced by the Company after confirming the arrangement of such general meeting.

Review of main businesses

During the Reporting Period, the Group actively implemented a "value-based marketing" strategy to drive the sales of high value-added products, increasing the proportion of ultra-high-transmissivity product sales and achieving premium pricing. Through the in-depth implementation of initiatives such as the "Three Comprehensives, Six Innovations Loss Reduction and Profit Improvement Project", the "8898 Quality Improvement Project", the "Millions of Value Innovation Campaign", the integration of performance with target cost management, and the comprehensive optimization of procurement strategies, the Group achieved remarkable results in cost reduction and efficiency enhancement.

Management Discussion and Analysis (Continued)

Business Review (Continued)

Review of main businesses (Continued)

Concurrently, the Group continuously strengthened management innovation and technological innovation. Through measures including continuously increasing R&D investment, optimizing organizational structure, building a talent team, and upgrading and transforming production lines to be digital and intelligent, it provided a strong driving force for the sustainable development of the Group's production and operations.

As a leading enterprise in China's photovoltaic glass industry, the Group has established a linked layout of four major industrial bases in Hefei, Yan'an, Xianyang and Shangrao. During the Reporting Period, the Group actively integrated advantageous resources to fully advance project construction and production and operation. The production lines at the Shangrao base operated smoothly, with its production capacity scale and cost advantages becoming increasingly prominent, and the first phase of the rooftop distributed photovoltaic power generation project successfully passed the grid-connection acceptance inspection; product yields at the Hefei base improved steadily, with high-value-added ultra-high transmissivity products stably mass-produced and reaching the industry-leading level; at the Xianyang base, substantial breakthroughs were made in the R&D of ultra-thin all-steel products, and the development of glass products for new business segments passed customer certification; at the Yan'an base, the kiln cold repair and renovation was completed, and successfully reached its planned production capacity, and the first dedicated natural gas pipeline of IRICO was constructed.

Taking technological innovation, cost reduction, and efficiency enhancement as its core, the Shangrao base achieved a key breakthrough in the field of double-coated ultra-high-transmissivity products, realizing product iteration and upgrading while maintaining a leading position in the industry. Simultaneously, it established a full-chain intelligent system, earning recognition as "Jiangxi Province Digital-Intelligent Factory (江西省數智工廠)", "Jiangxi Province Advanced-Level Intelligent Factory (江西省先進級智能工廠)", "Provincial-level Digital Transformation Benchmark (省級數字化轉型標桿)", and "Jiangxi Provincial Engineering Research Centre (江西省工程研究中心)", achieving the synergistic development of "green production + supporting green power" and providing sustainable energy support for its main business of ultra-thin and high-transmissivity photovoltaic glass.

The Hefei base saw a steady increase in product yields, achieving notable performance in the production and sales of 1.6mm thin photovoltaic glass and ultra-high-transmissivity products. Concurrently, it actively advanced its digital transformation and intelligent upgrade, was accredited as Innovative Small and Medium-sized Enterprise in Anhui Province (安徽省創新型中小企業) and new "Little Giant" enterprise at the national level, passed the reassessment for Hefei Municipal Industrial Design Centre (合肥市工業設計中心) and Anhui Provincial Enterprise Technology Center (安徽省企業技術中心), passed the Anhui Provincial New Product Recognition (安徽省新產品認定). Its technological and managerial innovation maintained a trajectory of steady and qualitative improvement.

Management Discussion and Analysis (Continued)

Business Review (Continued)

Review of main businesses (Continued)

The Xianyang base precisely grasped market dynamics, leveraging a flexible production layout to respond swiftly to market changes and adapt to diverse customer needs, resulting in a strong overall operational performance. Concurrently, it actively advanced its intelligent production upgrades, continuously optimizing its technological innovation system and product structure, and expanding the research and development of glass products for new business areas. With its outstanding innovation capabilities and comprehensive strength, the base was successfully awarded the titles of national-level specialized, refined, differentiated and innovative “Little Giant” enterprise, “Shaanxi Provincial Green Factory (陝西省綠色工廠)”, and passed the re-evaluation of the national-level high-tech enterprise qualification.

At the Yan'an base, the kiln cold repair and renovation project successfully passed its completion and acceptance inspection. The base achieved mass production and sales of 2.0mm ultra-high-transmissivity double-coated front panel glass, with both output and yield rates on its deep-processing production lines achieving record highs. Simultaneously, it deeply promoted cost reduction across the entire chain. Using the quality improvement project as a focal point, it coordinated cross-departmental collaboration to tackle technical bottlenecks, achieving significant results in the three key areas of production support, process optimization, and quality control. In addition, the base was recognized as an enterprise in the second batch of enterprises on the filing list of R&D Institutions of Industrial Enterprises (工業企業研發機構備案企業), passed the re-evaluation of the national-level high-tech enterprise qualification, and was accredited as the second batch of Basic-level Intelligent Factories for the year 2025 (2025年度基礎級智能工廠).

During the Reporting Period, the Group placed a high priority on technological innovation, focusing on the deployment of products with high technological content and high added value. It made significant strides in advancing the R&D and mass production of 1.6mm ultra-thin and 2.0mm ultra-high-transmissivity products, leveraging breakthroughs in ultra-high-transmissivity technology to lead industry development. Concurrently, using the “Three Comprehensives, Six Innovations Loss Reduction and Profit Improvement Project” and the “8898 Quality Improvement Project” as key drivers, it achieved multiple substantive results in areas such as technological iteration and management efficiency upgrades. Through optimizing full-process efficiency and implementing meticulous cost control, the Group steadily enhanced its operational quality and efficiency. Furthermore, the Company strengthened its centralized procurement and sales system, deepened long-term stable collaborations with high-quality suppliers, and formulated production and sales plans based on precise market demand analysis. This enabled highly efficient coordination across the entire chain of procurement, production, and sales, providing solid support for product R&D, mass production, and market expansion.

Management Discussion and Analysis (Continued)

Financial Review

Results

Profit and loss data for 2021–2025 (RMB0'000)

Item	2025	2024	2023	2022 (Restated)	2021 (Restated)
Operating revenue	290,505.27	327,622.01	314,538.55	247,027.75	206,706.27
Operating costs	315,055.79	337,144.41	292,768.12	210,742.37	161,658.91
Tax and surcharges	2,264.32	2,459.01	2,403.18	2,257.48	2,115.68
Selling expenses	704.28	765.43	809.48	498.38	714.12
Administrative expenses	10,693.99	7,686.07	17,455.47	11,334.72	11,012.79
Research and development expenses	9,686.08	12,080.94	10,292.73	6,686.69	5,440.02
Finance costs	15,352.08	13,640.19	8,831.94	7,204.78	6,943.65
Other income	11,192.78	13,593.31	4,219.15	1,537.56	2,542.99
Investment income (loss is represented by “-”)	996.93	730.63	257.15	348.32	-1,003.31
Gains from changes in fair value (loss is represented by “-”)		6.78	3.97	-2.05	-3.46
Credit impairment losses (loss is represented by “-”)	-945.04	226.01	-423.08	-126.19	-163.63
Impairment losses on assets (loss is represented by “-”)	-4,916.43	-8,966.62	-8,655.18	-96.24	-1,583.80
Gains on disposal of assets (loss is represented by “-”)	382.86	266.74	99.22	69.09	58.71
Non-operating income	576.82	4,460.12	24.23	54.65	249.60
Non-operating expense	42.65	5.67	62.03	9.60	147.45
Total profit (total loss is represented by “-”)	-56,006.00	-35,842.74	-22,558.93	10,078.87	18,770.73
Income tax expense	28.00	1,752.64	536.62	1,155.82	2,327.57
Net profit (net loss is represented by “-”)	-56,034.00	-37,595.38	-23,095.55	8,923.05	16,443.16
Including: Net profit attributable to the shareholders of the parent company	-56,034.00	-37,595.38	-23,095.55	8,923.05	16,443.16
Minority interests					
Other comprehensive income (net of tax)	-7,443.46	5,315.88	10,826.42	-7,809.64	1,081.23
Including: Other comprehensive income attributable to the owners of the parent company (net of tax)	-7,443.46	5,315.88	10,826.42	-7,809.64	1,081.23
Other comprehensive income attributable to minority shareholders (net of tax)					
Total comprehensive income	-63,477.46	-32,279.51	-12,269.12	1,113.41	17,524.39
Including: Total comprehensive income attributable to the owners of the parent company	-63,477.46	-32,279.51	-12,269.12	1,113.41	17,524.39
Total comprehensive income attributable to minority shareholders					
Earnings per share					
(I) Basic earnings per share (RMB/share)	-3.1779	-2.1322	-1.3099	0.5061	1.2346
(II) Diluted earnings per share (RMB/share)	-3.1779	-2.1322	-1.3099	0.5061	1.2346

Management Discussion and Analysis (Continued)

Financial Review (Continued)

Results (Continued)

Turnover by product category (RMB0'000)

Item	2025	2024
Operating revenue	290,505.27	327,622.01
Including: Solar photovoltaic business	286,829.09	324,636.54
Others	3,676.17	2,985.47

1. Profits and losses

(1) Operating revenue from principal business and profit

During the Reporting Period, the Group recorded operating revenue from its principal business of RMB2,868.2909 million, representing a year-on-year decrease of RMB378.0745 million or 11.65%, which was mainly due to a temporary supply-demand imbalance in photovoltaic glass production capacity, and a significant year-on-year decline in product prices.

During the Reporting Period, the Group recorded a total loss of RMB560.0600 million, representing a year-on-year increase in loss of RMB201.6326 million or 56.25%, which was mainly due to intensified competition in the photovoltaic glass industry resulting from the supply-demand imbalance and capacity mismatch. Despite the Group's full efforts to reduce costs and enhance efficiency, accelerate technological innovation, and expedite the development and mass production of high value-added products, product prices still experienced a significant year-on-year decline, leading to a substantial drop in the gross profit margin of the Group's photovoltaic glass.

(2) Administrative expenses

During the Reporting Period, the Group's administrative expenses were RMB106.9399 million (2024: RMB76.8607 million), representing a year-on-year increase of RMB30.0792 million or 39.13%, which was mainly due to higher expenses such as employee compensation resulting from the transfer of projects to fixed assets.

Management Discussion and Analysis (Continued)

Financial Review (Continued)

Results (Continued)

1. Profits and losses (Continued)

(3) Finance cost

During the Reporting Period, the Group's finance costs recognized in profit and loss were RMB153.5208 million (2024: RMB136.4019 million), representing a year-on-year increase of RMB17.1189 million or 12.55%, which was mainly due to the increase in the scale of interest-bearing liabilities.

(4) Selling expenses

During the Reporting Period, the Group's selling expenses were RMB7.0428 million (2024: RMB7.6543 million), representing a year-on-year decrease of RMB0.6115 million or 7.99%, which was mainly due to strengthened cost control measures, which led to a decrease in travel and entertainment expenses.

(5) Research and development expenses

During the Reporting Period, the Group's research and development expenses were RMB96.8608 million (2024: RMB120.8094 million), representing a year-on-year decrease of RMB23.9486 million or 19.82%, which was mainly due to fluctuations in the investment cycle of research and development projects.

2. Capital structure

As at 31 December 2025, the Group intended to continue maintaining a suitable ratio of share capital to liabilities to ensure an effective capital structure.

As at 31 December 2025, the total assets of the Group amounted to RMB8,313.3591 million (31 December 2024: RMB8,775.2708 million), including cash and bank balances of RMB322.3291 million (31 December 2024: RMB423.4628 million).

As at 31 December 2025, the total liabilities of the Group were RMB7,471.6535 million (31 December 2024: RMB7,298.7906 million), including bank borrowings and other borrowings of RMB4,149.4128 million (31 December 2024: RMB3,747.7744 million).

Management Discussion and Analysis (Continued)

Financial Review (Continued)

Results (Continued)

2. *Capital structure (Continued)*

As at 31 December 2025, the total owners' equity of the Group was RMB841.7056 million (31 December 2024: RMB1,476.4802 million).

As at 31 December 2025, the gearing ratio of the Group, calculated by dividing total liabilities of the Group by total assets of the Group, was 89.88% (31 December 2024: 83.17%).

During the Reporting Period, the turnover days for trade receivables of the Group were 112 days, representing a year-on-year increase of 36 days, mainly attributable to the extension of payment terms as stipulated in contracts with major customers, impacted by the prevailing tight capital turnover in the current photovoltaic industry, which has resulted in slower receivables collection.

During the Reporting Period, the inventory turnover days of the Group were 62 days, representing a year-on-year increase of 9 days, which was mainly attributable to the year-on-year increase in the average balance of inventory.

3. *Cash flow*

During the Reporting Period, the Group's net cash outflow from operating activities was RMB58.3507 million (2024: RMB513.2507 million); net cash inflow from financing activities was RMB137.4811 million (2024: RMB409.6736 million); net cash outflow from investing activities was RMB182.5 million (2024: RMB474.6901 million); the Group paid a total of RMB199.5616 million for capital expenditure (2024: RMB487.3162 million).

4. *Foreign exchange risk*

The Group's income and most of its expenses were denominated in Renminbi and US dollar. During the Reporting Period, the net foreign exchange loss of the Group was RMB19,400 (2024: net foreign exchange gain of RMB6,900) as a result of exchange rate fluctuations. Exchange rate fluctuations had no material effect on the Group's working or liquidity capital.

5. *Commitments*

As at 31 December 2025, the capital expenditure commitments of the Group amounted to RMB2,201.7123 million (31 December 2024: RMB1,361.3008 million).

Management Discussion and Analysis (Continued)

Financial Review (Continued)

Results (Continued)

6. *Contingent liabilities*

As at 31 December 2025, the Group had no material contingent liabilities (31 December 2024: nil).

7. *Pledged assets*

As at 31 December 2025, the Group had bank borrowings of approximately RMB712.4000 million, which were secured by fixed assets with a net carrying amount of RMB1,377.3014 million. As of 31 December 2024, the Group had bank borrowings of approximately RMB608.0000 million, secured by fixed assets with a net carrying amount of RMB1,139.9152 million.

8. *Pension scheme*

The Group participated in the pension scheme established by the government, under which the annual contribution is approximately 16% of the employee's salary. Under these schemes, the pension obligations for both current and retired employees are administered and guaranteed by the local Human Resources and Social Security Bureau in the jurisdictions where the Group operates.

Management Discussion and Analysis (Continued)

Material Acquisitions and Disposals

During the Reporting Period, there were no material acquisitions or disposals of subsidiaries, associates or joint ventures.

Other Matters

1. Changes of Directors

On 29 April 2025, Mr. Ma Zhibin retired as an executive Director of the Company and ceased to be a member of the nomination committee, a member of the remuneration and appraisal committee and the chairman of the strategy committee of the Company as he had reached the statutory retirement age. On the same day, the Board resolved to nominate and appoint Mr. Gao Feng'an as an executive Director of the Company.

On 29 May 2025, the resolution in relation to the proposed appointment of Mr. Gao Feng'an as an executive Director of the Company was considered and approved by the shareholders of the Company by way of a poll at the extraordinary general meeting of the Company held on 29 May 2025 (the "EGM"). His term of office commenced from the approval of the proposed appointment at the EGM and shall continue until the expiry of the term of office of the sixth session of the Board.

Subsequent to the EGM, the Board held the sixth meeting of the sixth session of the Board on the same day, at which Mr. Gao Feng'an was appointed as a member of the nomination committee, a member of the remuneration and appraisal committee and the chairman of the strategy committee of the sixth session of the Board for a term commencing from the date of consideration and approval at the Board meeting until the expiry of the term of office of the sixth session of the Board.

On 15 October 2025, Mr. Wang Dong resigned from his positions as a non-executive Director and a member of the nomination committee of the Company due to his intention to devote more time to the work of IRICO Group Company Limited* (彩虹集團有限公司). On the same date, Mr. Yao Rui was elected as an employee Director of the sixth session of the Board at the employee representative meeting of the Company. The term of office of Mr. Yao took effect from the date of election at the employee representative meeting and shall be consistent with the term of office of the sixth session of the Board.

For details, please refer to the announcements and circular of the Company dated 29 April 2025, 8 May 2025, 29 May 2025 and 15 October 2025.

Management Discussion and Analysis (Continued)

Other Matters (Continued)

2. Abolition of the Supervisory Committee

On 15 October 2025, the Company convened an extraordinary general meeting to abolish the supervisory committee of the Company (the “**Supervisory Committee**”), and the Audit Committee of the Board shall exercise the functions and powers of the Supervisory Committee as stipulated in the Company Law of the PRC. Relevant systems such as the rules of procedure for the Supervisory Committee of the Company shall be abolished accordingly. The positions of the supervisors of the Company have been automatically terminated.

For details, please refer to the announcement and notice of the Company dated 15 October 2025.

3. Changes of Senior Management

On 27 March 2025, the Board received a written resignation report from Mr. Huang Weihong, in which Mr. Huang Weihong tendered his resignation as the chief financial officer of the Company due to changes in work arrangements, and the resignation report took effect from the date of delivery to the Board. After resigning as the chief financial officer of the Company, Mr. Huang Weihong no longer held any position in the Company. On the same day, Mr. Li Yunpu was appointed as the chief financial officer of the Company for a term commencing on 27 March 2025 and ending on the date of expiry of the term of the sixth session of the Board.

On 29 April 2025, as Mr. Ma Zhibin had reached the statutory retirement age, he ceased to be the general manager of the Company. On the same day, Mr. Gao Feng’an was appointed as the general manager of the Company for a term commencing on 29 April 2025 and ending on the date of expiry of the term of the sixth session of the Board.

On 28 January 2026, Mr. Zhang Jikui was appointed as a deputy general manager of the Company.

For details, please refer to the announcements of the Company dated 27 March 2025, 29 April 2025 and 28 January 2026.

Subsequent Events

Save as disclosed in this annual report, there have been no other events occurring after 31 December 2025 and up to the date of this annual report that may have a material impact on the Group.

Profiles of Directors and Senior Management

Directors

Executive Directors

Ms. Yang Hua	52	Chairlady
Mr. Gao Feng'an	52	Executive Director (<i>appointed on 29 May 2025</i>)
Mr. Ma Zhibin	60	Executive Director (<i>resigned on 29 April 2025</i>)

Non-executive Directors

Mr. Fang Zhongxi	43	Non-executive Director
Mr. Wang Dong	37	Non-executive Director (<i>resigned on 15 October 2025</i>)

Independent Non-executive Directors

Mr. Su Kun	41	Independent Non-executive Director
Mr. Li Yong	61	Independent Non-executive Director
Ms. Hao Meiping	62	Independent Non-executive Director

Employee Director

Mr. Yao Rui	54	Employee Director (<i>appointed on 15 October 2025</i>)
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Ms. Yang Hua (楊樺), aged 52, the chairlady and executive Director of the Company, joined the Group in July 1996. Ms. Yang graduated from Xi'an Jiaotong University with a bachelor's degree in accounting and holds the qualification of accountant. She currently serves as the chief accountant of IRICO Group Company Limited ("**IRICO Group**") and the chief accountant of Xianyang Zhongdian IRICO Group Holdings Ltd. She formerly served as a cashier and accountant of power branch of IRICO Color Picture Tube Plant (彩虹彩色顯像管總廠動力分廠), an accountant and a cost statement accountant of the procurement department of IRICO Color Picture Tube Plant, the manager of the comprehensive analysis business of the Company, the manager of the finance department of IRICO Phosphor Material Co., Ltd., a comprehensive analysis accountant, the assistant to the director and the deputy director of the asset and finance department of IRICO Group (also the head of the settlement centre of IRICO Group), the director of the finance department of the Company, the deputy director (presiding over work) of the finance department and the director of the asset and operation department of IRICO Group and the director of the finance department of IRICO Group.

Profiles of Directors and Senior Management (Continued)

Directors (Continued)

Mr. Gao Feng'an (高鋒安), aged 52, an executive Director, general manager, Party secretary, and legal representative of the Company, joined the Group in July 1996. Mr. Gao graduated from Xi'an Jiaotong University with a bachelor's degree. He is a member of the Communist Party of China and a senior engineer. Mr. Gao serves as an executive director of IRICO (Hefei) Photovoltaic Co., Ltd.* (彩虹(合肥)光伏有限公司) ("Hefei Photovoltaic"), IRICO (Yan'an) New Energy Co., Ltd.* (彩虹(延安)新能源有限公司) ("Yan'an New Energy"), Jiangxi IRICO Photovoltaic Co., Ltd. (江西彩虹光伏有限公司) and Xianyang IRICO Photovoltaic Glass Co., Ltd. (咸陽彩虹光伏玻璃有限公司), respectively. He served as a mechanical technician, engineer, workshop quality officer, dispatcher, deputy director of the first post-assembly workshop and deputy director of the first-second workshop of the assembly workshop of No.1 Colour Picture Tube Factory under IRICO Color Picture Tube Plant (彩虹彩色顯像管總廠彩管一廠後裝車間), project manager of the strategic planning department of IRICO Group, manager of the operations and management department and manager of the electronic and digital business department of Zhuhai Caizhu Industrial Co., Ltd., assistant to the general manager and deputy general manager of IRICO (Foshan) Video Technology Co., Ltd., deputy general manager of Zhuhai Caizhu Industrial Co., Ltd., deputy general manager, executive deputy general manager, Party secretary and general manager of Hefei Photovoltaic, deputy general manager of the Company and other positions. He was appointed as the general manager of the Company on 29 April 2025, and ceased to hold the position of deputy general manager on the same day. He was appointed as an executive Director of the Company on 29 May 2025.

Profiles of Directors and Senior Management (Continued)

Directors (Continued)

Mr. Fang Zhongxi (方忠喜), aged 43, a non-executive Director of the Company, joined the Group in August 2005. Mr. Fang graduated from Shaanxi University of Science and Technology with a major in mechatronics. He holds a bachelor's degree and obtained a master's degree in business administration while employed, and is a member of the Communist Party of China. He is a senior engineer and a deputy to the 13th People's Congress of Anhui Province. He currently serves as the assistant to the general manager, the director of the operation and management department and the planning and technology department of IRICO Group. He also serves as a director of IRICO Display Devices Co., Ltd. (600707.SH). He successively served as a technician and secretary of the Youth League of IRICO Glass Factory, secretary of the Party Committee of the Party Committee Work Department of IRICO Group, assistant to the director of the office, director of the Party and Masses Office, chairman of the labor union of IRICO Glass Factory, director of the comprehensive management department and chairman of the labor union of IRICO Photovoltaic Glass Factory, director of the comprehensive management department, chairman of the labor union, director of the operation and management department, assistant to the general manager, director of the manufacturing first department and vice general manager of Hefei Photovoltaic. From June 2021 to January 2023, he held a temporary position as the deputy director (presiding over work) of the economic operation division of the operation and management department at the headquarters of China Electronics Corporation, and the deputy director (presiding over work) of the operation and management department of IRICO Group.

Mr. Su Kun (蘇坤), aged 41, an independent non-executive Director of the Company, joined the Group in April 2022. Mr. Su graduated from Xi'an Jiaotong University with a doctorate degree in management. He is a member of the Chinese Communist Party and a PRC certified public accountant (CPA). Mr. Su currently serves as the head of the accounting department, professor and doctoral tutor of the School of Management of Northwestern Polytechnical University, an independent director of Shaanxi Broadcast & TV Network Media (Group) Co. Ltd.* (陝西廣電網路傳媒(集團)股份有限公司) (600831.SH). Mr. Su served as an independent director of Shaanxi Tourism Culture Industry Holding Co. Ltd.* (陝西旅遊文化產業股份有限公司) (603402.SH) from September 2020 to August 2025, and an independent director of Zhejiang Sanxing New Materials Co., Ltd.* (浙江三星新材股份有限公司) (603578.SH) from September 2023 to April 2026. Mr. Su was awarded the Outstanding Young Talent of Shaanxi University, the First Prize of Teaching Achievement in Shaanxi Province and the First Prize of Excellent Achievements in Humanities and Social Sciences of Shaanxi University. In recent years, he has presided over three national natural science funds, seven provincial and ministerial funds such as the Humanities and Social Sciences Foundation of the Ministry of Education, independently authored two monographs, edited two textbooks, published more than 20 international journal essays of SSCI, more than 10 important journals of the National Natural Fund Committee and more than 20 essays of CSSCI.

Profiles of Directors and Senior Management (Continued)

Directors (Continued)

Mr. Li Yong (李勇), aged 61, an independent non-executive Director of the Company, joined the Group in November 2021. Dr. Li graduated from University of Science and Technology Beijing with a doctoral degree. He is currently a professor and doctoral supervisor in the School of Materials Science and Engineering of University of Science and Technology Beijing, independent director of Ruitai Materials Technology Co., Ltd. (002066.SZ), deputy director in Engineering Materials of China Metallurgical Construction Association, deputy director of the Refractories Branch of the Chinese Ceramic Society, deputy director of Expert Committee of the Association of China Refractories Industry, and editor of journal of the Chinese Ceramic Society. He was the research engineer of Sinosteel Luoyang Institute of Refractories Research Co., Ltd., deputy manager, director of the technical centre, deputy general manager and deputy chairman of the branch of Sinosteel Refractory Co., Ltd., independent director of Zhejiang Jinlei Refractories Co., Ltd. In 2005, he was awarded the honorary title of “National Expert with Outstanding Contribution” with special government allowance. He received eight scientific and technological progress awards at the provincial and ministerial third class and above levels.

Ms. Hao Meiping (郝梅平), aged 62, an independent non-executive Director of the Company, joined the Group in November 2021. Ms. Hao graduated from Wuhan University of Technology with a bachelor’s degree in Inorganic Non-metallic Materials Engineering (Glass). She is currently a senior adviser and professor-level senior engineer of China Building Materials Industry Planning Institute, an independent director of Fujian Super Tech Advanced Material Co., Ltd. (688398.SH), vice chairman of the Electronic Glass Branch of the Chinese Ceramic Society, vice chairman of the Photovoltaic Building Committee of China Photovoltaic Industry Association, vice chairman of the Aerogel Branch of China Insulation & Energy Efficiency Materials Association, executive director of China Architectural and Industrial Glass Association, member of the Building Renovation and Urban Renewal Committee of Architectural Society of China, member of the National Technical Committee for Standardization of Industrial Glass and Special Glass, a core member of the CSTM PV System Application Technology Standard Committee, an expert in the evaluation (assessment) of major special projects and investment projects, technology centres and engineering technology centres of the National Development and Reform Commission, Ministry of Industry and Information Technology and China Development Bank, and an expert in materials engineering education accreditation of China Engineering Education Accreditation Association. She has long been engaged in the research, investment, and engineering consulting of policy and development strategy planning in the field of inorganic non-metallic materials and related fields, and has won 19 national and provincial awards for excellent engineering consultation achievements and scientific and technological progress.

Profiles of Directors and Senior Management (Continued)

Directors (Continued)

Mr. Yao Rui (姚瑞), aged 54, an employee Director of the Company, joined the Group in July 1993. He graduated from Shaanxi University of Science and Technology majoring in enterprise management, with a college degree, and is a member of Communist Party of China, a political engineer and an economist. He currently serves as deputy secretary of the Communist Party Committee, secretary of the discipline inspection committee and chairman of the labor union of the Company. He previously served as the cost accounting specialist of the production section of No.1 Color Picture Tube Factory of IRICO Color Picture Tube Plant (彩虹彩色顯像管總廠彩管一廠生產科), the office secretary of IRICO Group, the deputy director and director of the general office of No.1 and No. 2 Color Picture Tube Factories of IRICO Color Picture Tube Plant (彩虹彩色顯像管總廠彩管一廠、二廠), the deputy director and director of general office and the director of the human resources department of IRICO Display Devices Co., Ltd. (彩虹顯示器件股份有限公司), the deputy general manager of IRICO Group (Shaoyang) Special Glass Co., Ltd. (彩虹集團(邵陽)特種玻璃有限公司), the deputy head of the preparatory group of IRICO Group Intelligent Equipment Platform Company* (彩虹集團智能裝備平台公司), a member of the disciplinary committee, the deputy director and director of the disciplinary inspection department of IRICO Group, and an employee representative supervisor of the Company, etc. He was appointed as the employee Director of the Company on 15 October 2025.

Other Members of Senior Management

Mr. Wu Wenchao	59	Deputy General Manager (<i>retired on 17 March 2026</i>)
Mr. Li Yunpu	58	Chief Financial Officer (<i>appointed on 27 March 2025</i>)
Mr. Huang Weihong	42	Chief Financial Officer (<i>resigned on 27 March 2025</i>)
Mr. Ni Huadong	50	Deputy General Manager, Company Secretary
Mr. Niu Xinchun	45	Secretary to the Board
Mr. Zhang Jikui	53	Deputy General Manager (<i>appointed on 28 January 2026</i>)

Profiles of Directors and Senior Management (Continued)

Other Members of Senior Management (Continued)

Mr. Li Yunpu (李雲普), aged 58, the chief financial officer of the Company, joined the Group in July 1990. Mr. Li graduated from Xi'an Jiaotong University with a bachelor's degree in finance and accounting, is a senior accountant and a member of the Communist Party of China. He formerly served as the accountant of the finance department of IRICO Colour Picture Tube Plant (彩虹彩色顯像管總廠) and the finance section of IRICO Material Company (彩虹物資公司), the financial officer and the head of the finance section of IRICO Triple Industry and Trade Company (彩虹三產工貿公司), IRICO Material Company, IRICO Labour Service Company (彩虹勞動服務公司), Xi'an IRICO Information Company Limited (西安彩虹資訊有限公司), and IRICO Glass Factory (彩虹玻璃廠); the deputy general manager, general manager and head of the finance department of the Company, head of the audit department and member of the discipline inspection commission of IRICO Group, chief financial officer of IRICO Display Devices Co., Ltd. (彩虹顯示器件股份有限公司), and chief accountant of China IRICO Electronics Import & Export Co., Ltd. (中國彩虹電子進出口有限公司) and Xianyang IRICO Industry Company Limited (咸陽彩虹集團實業有限公司). He was appointed as the chief financial officer of the Company on 27 March 2025.

Mr. Ni Huadong (倪華東), aged 50, the deputy general manager and the company secretary of the Company, joined the Group in May 2017. Mr. Ni graduated from Nanjing University of Finance & Economics with a bachelor's degree, majoring in investment economics and is a member of the Chinese Communist Party. He had served as investment specialist of the securities department, head of the corporate management center, assistant to the head and deputy head of the securities department of Nanjing Huadong Electronics Group Limited (南京華東電子集團有限公司), deputy director of the secretariat of the board of directors and representative of securities affairs of Nanjing Huadong Electronics Information & Technology Co., Ltd. ("Huadong Technology") (000727. SZ), deputy general manager of Nanjing Tian Xi Investment Co., Ltd. (南京天熙投資有限公司), general manager of Hong Kong Hua Jin Chen Technology Company Limited (香港華金晨科技有限公司), representative of securities affairs, head of the securities department and head of office of the board of directors of Huadong Technology, the secretary to the Board, a supervisor of Jiangxi IRICO Photovoltaic Co., Ltd. (江西彩虹光伏有限公司) and a supervisor of Xianyang IRICO Photovoltaic Glass Co., Ltd. (咸陽彩虹光伏玻璃有限公司).

Profiles of Directors and Senior Management (Continued)

Other Members of Senior Management (Continued)

Mr. Niu Xinchun (牛新春), aged 45, a secretary to the Board of the Company, joined the Group in August 2003. Mr. Niu graduated from the Air Force Engineering University with a bachelor's degree in telecommunication engineering. He is an engineer and a member of the Communist Party of China. He is currently a secretary to the Board of the Company, and the director of the office (the party and labor relations office) of the Company. He previously served as an assistant engineer and engineer in the new product development office, the head of the preparation team of the high frequency transformer project, the workshop director, the production supervisor and the technical supervisor of the Xi'an plant of Xi'an IRICO Zixun Co., Ltd.* (西安彩虹資訊有限公司), the production manager of Xianyang IRICO Digital Display Co., Ltd.* (咸陽彩虹數碼顯示有限公司) (during which he was also the production manager of the module manufacturing department of Jiangsu Yongneng Photovoltaic Technology Co., Ltd.* (江蘇永能光伏科技有限公司) and the production manager of the module sub-factory of Shanxi Lu'an Solar Photovoltaic Technology Co., Ltd.* (山西潞安太陽能光伏科技有限公司)), the chief production coordinator of Xianyang IRICO Solar Photovoltaic Technology Co., Ltd.* (咸陽彩虹光伏科技有限公司), the business supervisor, the business manager, the assistant to the director of the investment and operation department, and the vice-director (presiding over work) of the general manager's office of the Company and etc.

Mr. Zhang Jikui (張紀魁), aged 53, the deputy general manager of the Company, joined the Group in July 1990. He graduated from Shaanxi University of Science & Technology with a bachelor's degree in mechanical design, manufacturing and automation, and he is a member of the Communist Party of China and a professorate senior engineer. He served as a supervisor engineer in charge of mechanical engineering for the front and mid stages of Line D within the mobile technology group of IRICO Display Devices Co., Ltd.* (彩虹顯示器件股份有限公司); a supervisor engineer in charge of mechanical engineering for the melting and batching process, head of the equipment installation and commissioning group, deputy director of the equipment management department, director of the equipment management department, and assistant to the general manager of IRICO (Hefei) LCD Glass Co., Ltd.* (彩虹(合肥)液晶玻璃有限公司); deputy general manager of the intelligent manufacturing and big data application division of IRICO Display Devices Co., Ltd.; deputy general manager of the intelligent manufacturing division of IRICO Group Company Limited* (彩虹集團有限公司); deputy general manager of Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd.* (陝西彩虹工業智能科技有限公司); general manager and secretary of Party general branch of Jiangxi IRICO Photovoltaic Co., Ltd.* (江西彩虹光伏有限公司) and other positions. He was appointed as the deputy general manager of the Company on 28 January 2026.

Report of the Board

The Board hereby presents the report of the Board and the audited financial report of the Group for the year ended 31 December 2025 to the Shareholders.

Principal operations

During the Reporting Period, the Group was principally engaged in the research and development, manufacturing and sales of solar photovoltaic glass.

Business review and future development

During the Reporting Period, the Group actively implemented a “value-based marketing” strategy to drive the sales of high value-added products, increasing the proportion of ultra-high-transmissivity product sales and achieving premium pricing. Through the in-depth implementation of initiatives such as the “Three Comprehensives, Six Innovations Loss Reduction and Profit Improvement Project”, the “8898 Quality Improvement Project”, the “Millions of Value Innovation Campaign”, the integration of performance with target cost management, and the comprehensive optimization of procurement strategies, the Group achieved remarkable results in cost reduction and efficiency enhancement.

Concurrently, the Group continuously strengthened management innovation and technological innovation. Through measures including continuously increasing R&D investment, optimizing organizational structure, building a talent team, and upgrading and transforming production lines to be digital and intelligent, it provided a strong driving force for the sustainable development of the Group’s production and operations.

In 2026, the Group will continue to strengthen technological and management innovation. Through measures including the construction of high-standard production lines, the integration of performance with target management, research and development of differentiated high value-added products, technological iteration and efficient capacity upgrading, the Group will steadily improve product yields, reduce production costs, enhance the sales of high-end products, expand into new business areas and elevate the quality and efficiency of operations.

Report of the Board (Continued)

Major risks and uncertainties

During the Reporting Period, the industry as a whole faced persistent homogenised and involution-style competition, with oversupply conditions unlikely to improve in the short term. Rapid changes in industrial and trade policies introduced significant uncertainties for future photovoltaic investments, while the accelerated upgrading of production capacity intensified pressures related to green, efficient and intelligent transformation.

Looking ahead, the Company will continue to focus on core technology research and development, enhance efficiency through the upgrade of existing production lines and the construction of green and high-efficiency capacity, expand the application of photovoltaic products in diverse new scenarios, and actively develop new glass product businesses. Through these efforts, the Company aims to further strengthen its competitiveness and establish IRICO New Energy as the most innovative enterprise in the photovoltaic industry.

Environmental protection policy

For the corporate survival and development, the Group seriously performs its corporate social responsibilities and strictly complies with the Environmental Protection Law of the People's Republic of China and relevant laws and regulations. By making the best efforts in environmental protection and technological improvement and regulating the management of operation and maintenance of environmental protection facilities, the Group ensures high efficiency in operation and achievement of emission standards, thereby building a resource saving and environmentally friendly enterprise.

Compliance with relevant laws and regulations

During the Reporting Period, the Group strictly complied with laws and regulations which have material impacts on the Group.

The Group strictly complied with the requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the articles of association of the Company (the "Articles of Association") to improve the internal management system of the Company, which formed a governance system with standardized decision making, high efficiency operation and effective supervision. The Group pushed forward the improvement of corporate governance standard and the development of its business.

Report of the Board (Continued)

Results and dividend

During the Reporting Period, the Group recorded principal operating revenue of RMB2,868.2909 million, representing a year-on-year decrease of RMB378.0745 million or 11.65%.

For the analysis on the financial indicators of the results of the Company for the year 2025, please refer to the section headed “Management Discussion and Analysis” in this annual report.

The annual results of the Group for the year ended 31 December 2025 and its financial position as at the same date prepared in accordance with PRC Accounting Standards for Business Enterprises are set out from pages 75 to 95 of this annual report.

The Company has adopted a dividend distribution policy pursuant to relevant regulations, taking into consideration various factors including but not limited to the Company’s actual and expected financial performance, the production and operation of the Company, etc. When the Company distributes its yearly profits after tax, 10% of the profits shall be appropriated as legal surplus of the Company. When the Company’s legal surplus has accumulated to more than 50% of the Company’s registered capital, the compulsory appropriation thereof can be stopped. If the Company’s legal surplus is not sufficient to compensate for the loss of the previous year, the profits of the year shall first be used to cover the losses before appropriating the legal surplus. After appropriating the legal surplus from its after-tax profits, the Company may, subject to a resolution approved by the shareholders’ general meeting, also appropriate a discretionary reserve from the after-tax profits. After-tax profits left after making up for losses and the appropriation of the legal surplus shall be allocated in accordance with the proportion of shares held by the Shareholders.

In light of the absence of accumulated surplus in 2025, the Board has resolved not to distribute any final dividends for the year ended 31 December 2025, which is subject to the approval from the Shareholders at the forthcoming annual general meeting.

Five-year financial summary

A summary of the published results and assets, liabilities and minority interests of the Group for the last five years, as extracted from the audited and adjusted (if applicable) financial statements, is set out on page 274 of this annual report. This summary does not form part of the audited financial statements.

Share capital

Details of the Company’s share capital in 2025 and as at 31 December 2025 are set out in note V. (32) to the financial statements for 2025.

Purchase, sale or redemption of Shares of the Company

Neither has the Company nor any of its subsidiaries purchased, sold or redeemed any Shares of the Company (including sale of treasury shares as defined under the Listing Rules) during the Reporting Period. As at 31 December 2025, the Company did not hold any treasury shares as defined under the Listing Rules.

Report of the Board (Continued)

Reserves

Details of the movements of reserves of the Company and of the Group during the year ended 31 December 2025 are set out in Statement of Changes in Owner's Equity.

Distributable reserves

As at 31 December 2025, the Company had no reserves available for distribution.

Major customers and suppliers

The percentages of purchases from the major suppliers and sales to the major customers of the Group are set out as follows:

Purchases

- The largest supplier accounted for 23% of the total purchase amount
- The five largest suppliers accounted for 55% of the total purchase amount

Sales

- The largest customer accounted for 11% of the total sales amount
- The five largest customers accounted for 48% of the total sales amount

To the best knowledge of the Directors, none of the Directors, their respective close associates or any Shareholder holding more than 5% of the issued share capital of the Company, had any interest in the above-mentioned major suppliers and customers.

Report of the Board (Continued)

Directors, supervisors and senior management

Directors, supervisors and senior management of the Company for the year ended 31 December 2025 and up to the date of this annual report were as follows:

Name	Positions	Date of appointment/ change/resignation during the Reporting Period
Ms. Yang Hua	Executive Director, Chairlady	
Mr. Gao Feng'an	Executive Director	Appointed on 29 May 2025
Mr. Ma Zhibin	Executive Director	Retired on 29 April 2025
Mr. Fang Zhongxi	Non-executive Director	
Mr. Wang Dong	Non-executive Director	Resigned on 15 October 2025
Mr. Su Kun	Independent Non-executive Director	
Mr. Li Yong	Independent Non-executive Director	
Ms. Hao Meiping	Independent Non-executive Director	
Mr. Yao Rui	Employee Director	Appointed on 15 October 2025
Mr. Zhao Lefei	Shareholder Representative Supervisor, Chairman of the Supervisory Committee	Ceased to serve on 15 October 2025
Mr. Yao Rui	Employee Supervisor	Ceased to serve on 15 October 2025
Mr. Luo Hongwei	Employee Supervisor	Ceased to serve on 15 October 2025
Mr. Jiang A'he	Independent Supervisor	Ceased to serve on 15 October 2025
Mr. Huang Zhen	Independent Supervisor	Ceased to serve on 15 October 2025
Mr. Gao Feng'an	General Manager	Appointed on 29 April 2025
Mr. Ma Zhibin	General Manager	Retired on 29 April 2025
Mr. Wu Wenchao	Deputy General Manager	Retired on 17 March 2026
Mr. Li Yunpu	Chief Financial Officer	Appointed on 27 March 2025
Mr. Huang Weihong	Chief Financial Officer	Resigned on 27 March 2025
Mr. Ni Huadong	Deputy General Manager, Company Secretary	
Mr. Zhang Jikui	Deputy General Manager	Appointed on 28 January 2026
Mr. Niu Xinchun	Secretary to the Board	

Biographical details of the Directors and senior management as at the date of this annual report are set out on pages 16 to 22 of this annual report.

Each of the independent non-executive Directors has issued a confirmation in respect of the requirement set out in Rule 3.13 of the Listing Rules concerning his or her independence. The Company considers all of the independent non-executive Directors to be independent.

Report of the Board (Continued)

Remuneration of the Directors, the supervisors and the five highest-paid individuals

Details of the remuneration of the Directors, the supervisors and the five highest-paid individuals of the Group are set out in note XII. (IV).4 to the financial statements for 2025.

There were no arrangements under which a Director or supervisor of the Company had waived or agreed to waive any remuneration in respect of the year ended 31 December 2025.

Remuneration of senior management

According to code provision E.1.5 of the Corporate Governance Code, the details of the annual remuneration of the senior management for the year ended 31 December 2025 which are contained in note XII. (IV).4 to the financial statements for 2025 in this annual report are as follow:

Name	Remuneration and subsidy	Performance bonus	Fees	Pension insurance	Others	Total
Mr. Ma Zhibin	100,940.00	396,000.00	–	14,880.00	17,966.20	529,786.20
Mr. Gao Feng'an	278,148.00	262,811.00	–	52,848.00	72,818.34	666,625.34
Mr. Wu Wenchao	226,640.00	297,000.00	–	44,640.00	53,796.60	622,076.60
Mr. Ni Huadong	214,640.00	270,000.00	–	44,640.00	53,796.60	583,076.60
Mr. Huang Weihong	75,740.00	270,000.00	–	10,941.60	13,450.92	370,132.52
Mr. Li Yunpu	164,215.00	–	–	33,480.00	40,258.95	237,953.95
Mr. Niu Xinchun	201,308.00	226,958.00	–	44,640.00	53,796.60	526,702.60

Directors' and supervisors' interests in contracts

Save as disclosed in this annual report, no transaction, arrangement or contract of significance in relation to the Company's business to which the Company or its subsidiaries were a party and in which a Director or a supervisor or an entity connected with such Director or supervisor had a material interest, whether directly or indirectly, subsisted at the end of the year or anytime during the year ended 31 December 2025.

Directors' service contracts

Each of the Directors has entered into a service contract with the Company. None of the Directors proposed for re-election at the forthcoming general meeting has an unexpired service contract which is not terminable by the Company or its subsidiaries within a year without payment of any compensation (other than statutory compensation).

Report of the Board (Continued)

Permitted indemnity provision

During the Reporting Period and as at 31 December 2025, the Company has purchased liability insurance for its Directors and supervisors to provide appropriate guarantee for the Directors and supervisors of the Group.

Interests of Directors, supervisors and chief executive in shares of the Company and its associated corporations

As at 31 December 2025, none of the Directors, supervisors or chief executive and their respective associates held an interest and short position in shares, underlying shares and/or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were (a) required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which such directors, supervisors or chief executive were taken or deemed to have under such provisions of the SFO); or (b) required to be recorded in the register kept by the Company pursuant to section 352 of the SFO; (c) required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules.

During the Reporting Period, none of the Directors, supervisors, chief executive, senior management or their spouses and minor children under 18 was vested by the Company with any right to subscribe for shares or bonds of the Company or any associated corporation (as defined in the SFO).

Interests and short positions of substantial Shareholders and other parties

So far as the Directors are aware, each of the following persons, not being a Director, supervisor or chief executive, had an interest or short position in the Company’s shares or underlying shares (as the case may be) as at 31 December 2025 and as recorded in the register of members to be kept pursuant to section 336 of the SFO:

China Electronics Corporation* (中國電子信息產業集團有限公司) (“CEC”), through IRICO Group and its subsidiary, Rui Bou Electronics (HK) Limited, had interests in 53,153,400 domestic shares (representing 66.38% of the domestic share capital of the Company) and 7,553,100 H shares of the Company; CEC, through Xianyang Zhongdian IRICO Group Holdings Ltd.* (“Zhongdian IRICO”), also had interests in 25,214,300 H shares of the Company; CEC, through CEC Capital Investment Holdings Company Limited* (中電金投控股有限公司) (“CEC Capital Investment”), had interests in 26,920,000 domestic shares (representing 33.62% of the domestic share capital of the Company) and 19,230,000 H shares of the Company. HKSCC Nominees Limited had interests in 96,151,076 H shares of the Company (representing 99.90% of the H share capital of the Company).

Report of the Board (Continued)

Interests and short positions of substantial Shareholders and other parties (Continued)

Ms. Yang Hua acts as the executive Director of the Company and concurrently acts as the chief accountant of IRICO Group and Zhongdian IRICO. Mr. Fang Zhongxi acts as the non-executive Director of the Company and concurrently acts as the assistant to the general manager, the director of the operation and management department and the director of the planning and technology department of IRICO Group.

Notes:

As of 31 December 2025, based on the information available to Directors and so far as the Directors are aware, HKSCC Nominees Limited held 96,151,076 H shares, among which:

Zhongdian IRICO had beneficial interests in 25,214,300 H shares of the Company (representing approximately 26.20% of the issued H shares of the Company).

CEC Capital Investment had beneficial interests in 19,230,000 H shares of the Company (representing approximately 19.98% of the issued H shares of the Company).

Yan'an Caijin Investment (Group) Co., Ltd. (延安財金投資(集團)有限公司) (“Yan'an Caijin”) and Hefei Xincheng Holdings Group Co., Ltd. (合肥鑫城控股集團有限公司) (“Hefei Xincheng”), through HuaAn Funds, had beneficial interests in 8,651,600 H shares of the Company (representing approximately 8.99% of the issued H shares of the Company).

HuaAn Fund Management Co., Ltd. is the asset manager of HuaAn Funds-Dingyuan QDII Single Asset Management Scheme and HuaAn Funds-Xincheng QDII Single Asset Management Scheme.

Competing interests

None of the Directors, the controlling Shareholder or their respective close associates (as defined under the Listing Rules) had any interest in a business which competes or may compete with the businesses of the Group or has or may have any other conflicts of the interest with the Group.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

Designated deposit and overdue time deposit

As of 31 December 2025, the Group had no designated deposits in any financial institutions in China. All of the Group's cash deposits are placed with commercial banks in China and China Electronics Financial Co., Ltd., and are in compliance with the relevant laws and regulations. There were also no instances where the Group had failed to collect any of the time deposits upon maturity.

Report of the Board (Continued)

Employees, retirement benefits and other benefits

As of 31 December 2025, the Group had a total of 2,088 incumbent employees*, all of whom were full-time employees, and were Chinese nationals working in China. Among all incumbent employees, approximately 0.24% were senior management personnel (all being males), 12.26% were general management and administrative personnel, 10.97% were technological personnel and 76.53% were production employees.

With full enthusiasm in work, the Group's employees are committed to ensuring the high quality and reliability of products and services. As of 31 December 2025, the Company did not implement any long-term incentive schemes.

* Excluding dispatched employees.

Connected transactions

For the year ended 31 December 2025, there were various non-exempt continuing connected transactions (the "Continuing Connected Transactions") between the Group and the following connected persons of the Group (collectively, the "connected persons" and each a "connected person" under the Listing Rules):

- (1) IRICO Group is a substantial Shareholder of the Company and a connected person of the Company;
- (2) Zhongdian IRICO is a substantial Shareholder of the Company and a connected person of the Company;
- (3) China Electronics Financial Co., Ltd. ("CEC Finance") is a subsidiary of CEC and thus a connected person of the Company;
- (4) CLP International Logistics (Beijing) Co., Ltd. (中電國際物流(北京)有限公司) ("CLPIL") (formerly known as China Elec-Trans Int' Service Co., Ltd.* (捷達國際運輸有限公司) ("CETIS")) is a subsidiary of CEC and thus a connected person of the Company;

Report of the Board (Continued)

Connected transactions (Continued)

For the year ended 31 December 2025, the approved annual caps (the “Annual Caps”) and the actual revenue or expenditure in respect of each of the continuing connected transactions are set out below:

No.	Item	Annual Caps for Connected Transaction of 2025 <i>RMB'000</i>	Amount Incurred for Connected Transaction of 2025 <i>RMB'000</i>
(i)	IRICO Group Master Purchase Agreement Purchase of raw materials, coating solution, ink and other materials of photovoltaic industry, electricity, purchase of facilities and installation services and maintenance services for photovoltaic production business from IRICO Group and its associates	117,180	28,918
(ii)	Zhongdian IRICO Master Purchase Agreement Purchase of production line facilities and installation services, other utilities and ancillary services, operation and maintenance services and other services from Zhongdian IRICO and its associates	140,514	17,409
(iii)	Comprehensive Financial Cooperation Agreement General credit limit granted by CEC Finance to the Group Proposed maximum daily balance of the Group's deposits with CEC Finance (including any accrued interest thereon) Maximum annual transaction amounts payable by the Group to CEC Finance in respect of other services provided by CEC Finance	1,000,000 1,000,000 300	200,168 12,929 0
(iv)	IRICO Group Master Sales Agreement Sale of utilities to IRICO Group and its associates	7,200	681
(v)	Master Transportation Services Agreement Purchase of transportation services from CLPIL and its associates	9,000	174

The consideration for each of the continuing connected transactions listed above during the Reporting Period is set out in the respective agreements with relevant connected persons, details of which were set out in the Company's announcements dated 23 October 2024, 18 December 2024, 30 December 2024 and 17 January 2025 and the circular dated 29 November 2024.

Connected transactions (Continued)

(1) IRICO Group Master Purchase Agreement

Date: 23 October 2024

Parties: (i) the Company; and
(ii) IRICO Group

Term: 1 January 2025 to 31 December 2027, subject to early termination by the Company by giving at least three months' prior written notice to IRICO Group. IRICO Group shall not unilaterally terminate the IRICO Group Master Purchase Agreement without written consent of the Company.

Nature of transactions: The Group shall purchase raw materials, coating solution, ink and other materials of photovoltaic industry, electricity, purchase of facilities and installation services and maintenance services for photovoltaic production business from IRICO Group and its associates.

Pricing policy: (i) The prices for raw materials, coating solution, ink and other materials of photovoltaic industry, purchase of facilities and installation services and maintenance services shall be determined in accordance with the Market Price (as defined below):

"Market Price" shall be determined in accordance with the following order: (a) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of products in the selling or purchasing places or its nearby regions; or (b) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of products in the PRC.

Upon receipt of quotations from IRICO Group, the designated persons of the Group (namely, the business planning executives, who are primarily responsible for the examination and approval of the procurement plans and the execution of purchase contracts) will ascertain the prices offered or charged by independent third parties, generally by way of obtaining quotations for a comparable volume of same or similar category of products from at least two independent third parties via emails, fax, phone or tenders by publishing tender notice via various media resources (for instance, the local newspapers), and take the integrated consideration value of such quotations as the Market Price. The selling price of each category of products will be reviewed by the procurement department of the Group and submitted to the head of such department for approval.

Report of the Board (Continued)

Connected transactions (Continued)

(1) IRICO Group Master Purchase Agreement (Continued)

- (ii) The prices for the electricity shall be negotiated based on arm's length negotiations between the relevant parties with reference to (a) the "Government-prescribed Price" (as defined below); and (b) reduction from the government incentives offered by Anhui Provincial Government to IRICO Group. After taking into account of the government incentives offered by Anhui Provincial Government to IRICO Group for the building and operation of the electrical transformer substation for the development of the new industrial area in Hefei City, Anhui Province, the overall unit price of electricity supplied by IRICO Group to the Company will be lower than the Government-prescribed Price.

"Government-prescribed Price" means the prices of electricity in Anhui Province as prescribed by the State Grid Corporation of China as updated and amended from time to time. According to the "Notice of Anhui Province Development and Reform Commission on Matters Relating to the Adjustment of Price of Electricity Sales in the Province (Wan Fa Jia Ge [2020] No. 654)" (《安徽省發展改革委關於調整我省銷售電價有關事項的通知(皖發價格[2020]654號)》) which took effect since 1 January 2021, the current state-prescribed rate of electricity for industrial and commercial use is approximately RMB0.9706 per kWh for peak period for the months of July, August and September and approximately RMB0.9078 per kWh for other months; approximately RMB0.5996 per kWh for regular period; and approximately RMB0.3599 per kWh for low period.

Upon receipt of quotations from IRICO Group, the designated persons of the Group (namely, the business planning executives, who are primarily responsible for the examination and approval of the procurement plans and the execution of purchase contracts) will make comparison with relevant prices charged by independent third parties in the same region. In case there is an adjustment to the prices of electricity in Anhui Province as prescribed by the State Grid Corporation of China, the prices will be adjusted correspondingly based on arm's length negotiations between the relevant parties. The quotation of electricity will be reviewed by the procurement department of the Group and submitted to the head of such department for approval.

The Directors are of the view that such pricing policy is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.

Connected transactions (Continued)

(2) Zhongdian IRICO Master Purchase Agreement

Date:	23 October 2024
Parties:	(i) The Company; and (ii) Zhongdian IRICO
Term:	1 January 2025 to 31 December 2027, subject to early termination by either party by giving at least three months' prior written notice to the other party. Zhongdian IRICO shall not unilaterally terminate the Zhongdian IRICO Master Purchase Agreement without written consent of the Company.
Nature of transactions:	The Group shall purchase production line facilities and installation services, other utilities and ancillary services, operation and maintenance services and other services from Zhongdian IRICO and its associates.
Pricing policy:	The prices for production line facilities and installation services, other utilities and ancillary services, operation and maintenance services and other services shall be determined in accordance with the following policies: (a) where there is "Government-prescribed Price" (as defined below), in respect of the procurement of the production line facilities and installation services, other utility and ancillary services, operation and maintenance services and other services, the prices shall be determined based on arm's length negotiations between the relevant parties with reference to the Government-prescribed Price; or (b) (in the case of Government-prescribed Price) in respect of the utilities required for production, the prices shall be determined by the relevant parties with reference to the Government-prescribed Price; or

Report of the Board (Continued)

Connected transactions (Continued)

(2) Zhongdian IRICO Master Purchase Agreement (Continued)

- (c) where there is no Government-prescribed Price, the prices shall be determined based on arm's length negotiations between the relevant parties with reference to reasonable costs incurred plus reasonable profit. The reasonable costs primarily include raw materials, labour, taxation, management fee, etc.

“Government-prescribed Price” means the guidelines for prices applicable to facilities installation under the Zhongdian IRICO Master Purchase Agreement as prescribed in the notices published by Shaanxi Provincial Price Bureau, Shaanxi Provincial Development and Reform Commission and other relevant regulatory authorities from time to time.

The pricing policies of cost plus reasonable profit are applicable to other utilities and ancillary services under the Zhongdian IRICO Master Purchase Agreement where there is no Government-prescribed Price, including softened water, chilled water, high pressure air, nitrogen, purified air, etc.

To ensure that prices to be charged by Zhongdian IRICO are not higher than those available from independent third parties, the designated persons of the Group will make comparison with relevant prices charged by independent third parties in the same or nearby region or the actual costs incurred. In case there is an adjustment to the prices of utilities as prescribed in the notices published by Shaanxi Provincial Price Bureau, Shaanxi Provincial Development and Reform Commission and other relevant regulatory authorities, the prices will be adjusted correspondingly based on arm's length negotiations between Zhongdian IRICO and the Company. The quotation of each category of utilities will be reviewed by the Group and submitted to the head of such department for approval.

The Directors are of the view that such pricing policy is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.

Connected transactions (Continued)

(3) Comprehensive Financial Cooperation Agreement

Date: 23 October 2024

Parties: (i) The Company; and
(ii) CEC Finance

Term: Three years from the Effective Date

Conditions precedent: The Comprehensive Financial Cooperation Agreement is conditional upon the resolution regarding the transactions contemplated under the Comprehensive Financial Cooperation Agreement in respect of the provision of fund settlement services by CEC Finance to the Group (including the proposed annual caps) being approved by the Independent Shareholders at the EGM.

The Comprehensive Financial Cooperation Agreement shall become effective upon the date of its approval at the EGM held on 19 December 2024 (the “Effective Date”).

Scope of services: CEC Finance shall provide the Group with general credit, fund settlement and other services. The details are as follows:

- (i) Fund settlement services: CEC Finance shall provide fund settlement business services for the Group to assist the Group in realising the smooth receipt and payment of transaction funds, including but not limited to the following settlement business lines: receipt and payment of transaction amount, settlement and sale of foreign exchange, deposits taking, and handling term deposits, call deposits, agreement deposit, etc. CEC Finance shall install online banking systems for relevant enterprises, provide statements on a regular basis, and provide special computers for fund settlement to relevant enterprises whose fund settlement flows and balances have reached a certain scale.

Report of the Board (Continued)

Connected transactions (Continued)

(3) Comprehensive Financial Cooperation Agreement (Continued)

- (ii) General credit services: CEC Finance shall provide credit facilities to the Group in accordance with the credit rules to promote the stable development of the Group's production and operation. The scope of use of the credit limit under the Comprehensive Financial Cooperation Agreement includes, but is not limited to, the following types of credit facilities: domestic and foreign currency loans, acceptance and discounting of commercial promissory notes, factoring of accounts receivable, non-financing letters of guarantee, etc.
- (iii) Other services: CEC Finance shall provide the Group with other financial services such as fund management, discounting of bankers' acceptances, commission agencies, issuance of proof of funds, loan commitments, general planning and consultancy as well as specialised financial consultancy.

Pricing policy and payment term:

The service charges for deposit rates, loan rates and other financial services under the Comprehensive Financial Cooperation Agreement shall be determined with reference to the level of service charges for the provision of similar deposit rates, loan rates and other financial services offered/charged by commercial banks in the PRC during the same period. The payment terms shall be entered into on market terms which are no less favourable than those available from independent third parties. The pricing policy and payment terms are as follows:

- (i) Fund settlement services: For the Group's fund balances with CEC Finance, CEC Finance shall guarantee to release the full amount in a timely manner in accordance with the Group's instructions and to pay interest on the deposits at a rate not lower than the deposit rates of domestic commercial banks for the same period. Interest shall be accrued by CEC Finance in accordance with the daily cumulative calculation method and settled on a quarterly basis;

Connected transactions (Continued)

(3) Comprehensive Financial Cooperation Agreement (Continued)

- (ii) General credit services: For the financing obtained by the Group from CEC Finance, interest on loans shall be charged by CEC Finance at an overall rate not higher than the interest rates for the same type of loans from domestic commercial banks for the same period. Interest shall be accrued by CEC Finance in accordance with the daily cumulative calculation method and settled on a quarterly basis;
- (iii) Other services: (a) CEC Finance shall provide the Group with other financial services such as fund management, commission agencies, non-financial letters of guarantee, proof of funds and loan commitments, at a fee rate not higher than that of similar fees charged by domestic commercial banks during the same period; (b) CEC Finance shall make full use of its advantages in financial resources and expertise to provide specialised services of financial consultancy and organisational underwriting for the Group's successful issuance of corporate bonds and issuance of special financing for medium-term notes, and the standard of fees charged by CEC Finance in respect of such specialised financial consultancy services shall not be higher than that charged by domestic financial institutions during the same period; and (c) CEC Finance shall exempt the Group from the fund remittance fee for the Group's fund settlement with CEC Finance, the fee for the issuance of letter of inquiry by CEC Finance for the Group, and the fee for the general planning and consultancy services provided by CEC Finance for the Group, except for the aforesaid specialised financial consultancy services. The pricing of the transactions will follow the market-based principle, i.e. the Group and CEC Finance will further negotiate on an arm's length basis to determine the relevant fees payable in respect of other services prior to entering into any of the transactions with reference to the level of prices quoted by financial institutions in the market that meet the Group's internal control requirements for similar services in respect of the relevant types and content of the relevant services, so as to ensure that the terms and conditions thereof are fair and reasonable and are no less favourable than those offered by independent third parties.

The Directors are of the view that such pricing policy and payment terms are fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.

Report of the Board (Continued)

Connected transactions (Continued)

(4) IRICO Group Master Sales Agreement

Date:	23 October 2024
Parties:	(i) The Company; and (ii) IRICO Group
Terms:	1 January 2025 to 31 December 2027, subject to early termination by either party by giving at least one month prior written notice to the other party.
Nature of transactions:	The Group shall sell utilities to IRICO Group and its associates.
Pricing policy:	The prices for utilities shall be determined in accordance with the "Market Price" (as defined below).

"Market Price" shall be determined in accordance with the following order: (a) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of products in the selling or purchasing places or its nearby regions; or (b) the prevailing prices being offered or charged by independent third parties in the ordinary and usual course of business for the sales or purchases of the same or similar type of products in the PRC.

Upon receipt of product orders, the marketing department of the Company and its designated persons (namely, the business planning executives, who are primarily responsible for the examination and approval of the sales plans and the execution of sales contracts) will ascertain the prices offered or charged by independent third parties, generally by way of obtaining quotations for a comparable volume of same or similar category of products from at least two independent third parties via emails, fax, phone or tenders by publishing tender notice via various media resources (for instance, the local newspapers), and take average of such quotation as the Market Price. The selling price of each category of products will be submitted to the marketing department of the Company for approval.

The Directors are of the view that such pricing policy is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.

Report of the Board (Continued)

Connected transactions (Continued)

(5) Master Transportation Services Agreement

Date: 23 October 2024

Parties: (i) The Company; and
(ii) CETIS (currently known as CLPIL)

Terms: 1 January 2025 to 31 December 2027, subject to early termination by either party by giving at least three months' prior written notice to the other party. CLPIL shall not unilaterally terminate the Master Transportation Services Agreement without written consent of the Company.

Nature of transactions: The Group shall purchase transportation services from CLPIL and its associates.

Pricing policy: The prices for the transportation services shall be determined in accordance with the "Market Price" (as defined below):

Upon receipt of quotations from CLPIL, the designated persons of the Group will ascertain the prices offered or charged by independent third parties, generally by way of, obtaining quotations for a comparable volume of same or similar type of transportation services from at least two independent third parties via emails, fax, phone or tenders by publishing tender notice via various media resources (for instance, the local newspapers), and take average of such quotations as the market price.

The Directors are of the view that such pricing policy is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Shareholders.

The Company confirms that the prices and terms of these continuing connected transactions entered into during the year ended 31 December 2025 were determined in accordance with the Group's pricing policy.

Report of the Board (Continued)

Connected transactions (Continued)

The independent non-executive Directors had reviewed these continuing connected transactions and confirmed to the Board that these transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
- (3) according to the agreements governing such transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditor of the Company had given a letter to the Board, which sets out the conclusion on the disclosed continuing connected transactions as follows:

- (1) nothing has come to the attention of the auditor that causes it to believe that the transactions have not been approved by the Board of the Company;
- (2) nothing has come to the attention of the auditor that causes it to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
- (3) nothing has come to the attention of the auditor that causes it to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (4) nothing has come to the attention of the auditor that causes it to believe that the total amount of the continuing connected transactions has exceeded the annual cap which the Company has determined.

In respect of each related party transaction disclosed in note XII to the financial statements for 2025, the Company confirms that it has complied with the relevant requirements under the Listing Rules.

Save as disclosed above, the other related party transactions as set out in note XII to the financial statements for 2025 do not constitute connected transactions/continuing connected transactions under Chapter 14A of the Listing Rules, or have constituted connected transactions/continuing connected transactions under the Listing Rules, but are exempt from the disclosure and independent shareholders' approval requirements of the Listing Rules.

Report of the Board (Continued)

Plans of the Group for material investments or capital assets

As at 31 December 2025, the Group had no future plans for material investments or capital assets.

Bank loans

As at 31 December 2025, details of bank loans of the Group are set out in notes V(XIX), (XXVII) and (XXIX) to the financial statements for 2025.

Pre-emptive rights

There are no provisions for pre-emptive rights under the Articles of Association or relevant laws and regulations which could oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

Subsidiaries

Details of the subsidiaries of the Company are set out in note VIII to the financial statements for 2025.

External guarantee

During the Reporting Period, the Group had no external guarantee.

Material litigation

During the Reporting Period, the Group had no material litigation.

Contingent liabilities

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

Corporate Governance Code

The Company's corporate governance practices are based on the principles and code provisions (the "Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules. The Company has complied with the Code Provisions set out in Part 2 of the CG Code for the financial year ended 31 December 2025.

Report of the Board (Continued)

Model Code

As to securities transactions by the Directors, the Company has adopted the Model Code as the code for securities transactions by Directors. Having made specific enquiries of all Directors, the Company has confirmed that all Directors have fully complied with all the requirements set out in the Model Code.

Public float

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the H Shares listed on the Stock Exchange and held by the public represent at least 25% of the Company's total number of issued Shares (excluding treasury shares) during the Reporting Period and up to the date of this annual report, and thus the Company has complied with Rule 19A.28B(1) of the Listing Rules.

Audit committee

The audit committee of the Company (the “**Audit Committee**”) has reviewed the Company's consolidated financial statements for the year ended 31 December 2025, including the accounting principles adopted by the Group.

Auditor

At the 2022 annual general meeting held on 16 June 2023, BDO China Shu Lun Pan Certified Public Accountants LLP was appointed as the Company's auditor for 2023. At the 2023 annual general meeting held on 6 June 2024, WUYIGE Certified Public Accountants LLP was appointed as the Company's auditor for 2024. At the 2024 annual general meeting held on 9 May 2025, WUYIGE Certified Public Accountants LLP was re-appointed as the Company's auditor for 2025.

For further details, please refer to the Company's announcements dated 16 June 2023, 6 June 2024 and 9 May 2025.

The financial statements of the Company for the year ended 31 December 2025 have been audited by WUYIGE Certified Public Accountants LLP. For further information of the auditor of the Company, please refer to “External auditor and their remuneration” under the Corporate Governance Report of this annual report.

By order of the Board
Yang Hua
Chairlady

Xianyang, the People's Republic of China
25 March 2026

Corporate Governance Report

The Company strives to uphold the corporate governance standard in accordance with statutory and regulatory requirements. Through the establishment of a competent Board, a comprehensive internal control system and a stable corporate structure, the Company strives to ensure completeness and transparency in its information disclosure, enhance stable operation and consolidate and increase Shareholders' value and benefit.

Corporate Governance Practices

Improvement of the internal control system was made by the Company by reviewing the Company's corporate governance practices against the CG Code to cater for the constant development and evolution of corporate governance.

The Board has reviewed the Company's corporate governance practices. During the Reporting Period, the Company had applied and complied with the principles and code provisions in the CG Code. The code on corporate governance practices adopted by the Company includes but is not limited to the following documents: the Articles of Association, Rules of Procedure for the Shareholders' Meeting, Rules of Procedure for the Board of Directors, Terms of Reference and Organisation Rules for the Audit Committee, Terms of Reference and Organisation Rules for the Nomination Committee, Terms of Reference and Organisation Rules for the Strategy Committee and Terms of Reference and Organisation Rules for the Remuneration and Appraisal Committee. The Board also formulated the Management Methods for Information Disclosure, Management Mechanism for Investor Relations, and Management Mechanism for Connected Transactions as relevant working rules of the Company. In addition, the Company has established the Strategy Committee.

Corporate Purpose and Culture

The Group is principally engaged in the research and development, manufacturing and sales of solar photovoltaic glass. With the initial goal of providing strategic advanced material products and solutions for China, the Group insists on technology leadership and cost leadership under the innovative business model by following the business philosophy of pioneering and innovating in the pursuit of excellence, and continuously enhances its core competitiveness through continuous improvement of its management capabilities.

The Board endeavours to ensure that the corporate purpose and culture are implemented throughout the Group and are fully integrated into the Group's production and operation. Based on the establishment of a sound governance structure, stringent risk management and effective internal control, the Board actively implements the corporate purpose and culture through its daily operation, workplace policies and close communication with business stakeholders, so as to ensure the sustainable development of the Group's business and to bring long-term value to the Shareholders.

Corporate Governance Report (Continued)

The Board

Duties of the Board

The Board is responsible for leading and monitoring the Company's affairs. All Directors are responsible to act in the best interests of the Company and collectively assume the responsibility for overseeing and monitoring the Company's affairs. The Board makes regular assessment on the management's business objectives and performance as well as exercises a variety of powers in accordance with the Articles of Association, which mainly include:

- convening the shareholders' meetings and reporting its performance at the shareholders' meetings;
- implementing resolutions adopted at the shareholders' meetings;
- making decisions on the Company's business plans and investment schemes;
- formulating the Company's profit distribution plan and loss recovery plan;
- formulating the proposals on the increase or reduction of the Company's registered capital and the issuance of corporate bonds or other securities;
- preparing plans for major acquisitions, purchases of the Company's own shares, sale of treasury shares, or merger, division, dissolution, and change of corporate form;
- within the scope of authorization granted by the shareholders' meeting, determining matters concerning the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, external donations, etc.;
- determining matters concerning guarantees for the Company's wholly-owned subsidiaries and holding subsidiaries;
- determining the establishment of the Company's internal management bodies;
- deciding on the appointment or dismissal of the general manager and the secretary to the Board, and determining their remuneration and matters concerning rewards and penalties; upon the nomination of the general manager, deciding on the appointment or dismissal of other senior management personnel such as the deputy general manager and chief financial officer, and determining their remuneration and matters concerning rewards and penalties;
- formulating the Company's basic management system;
- formulating proposals for amendments to the Articles of Association;

Corporate Governance Report (Continued)

The Board (Continued)

Duties of the Board (Continued)

- managing the Company's information disclosure matters;
- proposing to the shareholders' meeting the appointment or replacement of the accounting firm responsible for the Company's audit;
- receiving work reports from the Company's general manager and reviewing the work of management;
- other functions and powers conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, or the shareholders' meeting;
- matters beyond the scope of authorization granted by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

In respect of corporate governance, the Board mainly performed the following duties in the Reporting Period:

- developing and reviewing the corporate governance policies and practices of the Company;
- reviewing and monitoring the training and continuous professional development of Directors and senior management;
- developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements of the Company;
- formulating proposals for amendments to the Articles of Association;
- reviewing the compliance with the CG Code by the Company and corresponding disclosure in the corporate governance report of the annual report.

Composition of the Board and diversity policy

In determining the structure of the Board, the Company considers multiple factors (including but not limited to gender, age, cultural and educational background, race, professional experience, skills, expertise and service term) to achieve the aim of diversity policy. The Board has set measurable objectives (including the aforesaid measurable items) and taken corresponding measures to continuously promote the level of its diversity, and is committed to maintaining at least one female member in its membership on a continuous basis. The Nomination Committee is responsible for reviewing these objectives from time to time to ensure such objectives are appropriate, monitoring the progress of such objectives and reviewing the policy in due course to ensure the effectiveness. The Nomination Committee shall appoint at least one member of a different gender.

Corporate Governance Report (Continued)

The Board (Continued)

Composition of the Board and diversity policy (Continued)

As at 31 December 2025, the sixth session of the Board was in office. In constituting this session of the Board, the Company had given full consideration to diversity across all dimensions, including age, gender, skills, knowledge, cultural background, experience, expertise, professional qualifications, academic qualifications and other personal qualities of the Directors.

The Board comprises seven Directors, including two executive Directors, namely Ms. Yang Hua and Mr. Gao Feng'an, one non-executive Director, namely Mr. Fang Zhongxi, three independent non-executive Directors, namely Mr. Su Kun, Mr. Li Yong and Ms. Hao Meiping, and one employee Director, namely Mr. Yao Rui. Ms. Yang Hua is the chairlady of the Board. Among them, by gender, there are five males and two females; by age, there are two Directors aged 41–45, three Directors aged 51–55, and two Directors aged above 60; and by subject, three Directors in engineering, two Directors in accounting, and two Directors in business administration. Members of the Board (including experts who have been involved in the photovoltaic industry for many years, and outstanding managers in finance, business management and other aspects) all have appropriate business and management experience, competence and skills. The Directors' knowledge structure and experience are complementary, and their views and perspectives are independent and diverse, guaranteeing the scientific and effective decision-making of the Board. The biographies of Directors are set out from pages 16 to 22 in this annual report.

During the Reporting Period, the Nomination Committee has considered the Board diversity policy and whether the Board has achieved an appropriate balance in the aspects of training, skills, experience and diversity to improve the efficiency of the Board and to maintain high-standard corporate governance. After due consideration, the Nomination Committee believes that the structure of the Board is balanced with diversity, fully takes into account the Company's actual conditions, is appropriate for the Company's business development and complies with the Board diversity policy during the Reporting Period.

The Group is committed actively attracting diversified talents through various channels to provide equal opportunities for female talents, as well as establishing an equal employment and career development platform for women.

There are no financial, business, family or other material/relevant relationships among the members of the Board.

Directors (including non-executive Directors and independent non-executive Directors) are elected in shareholders' meetings with a term of three years from the effective date of their elections until the date of election of the next session of the Board.

Corporate Governance Report (Continued)

The Board (Continued)

Composition of the Board and diversity policy (Continued)

All Directors shall, upon their initial appointment, report to the Board in respect of the number and nature of any office assumed by them in other companies or institutions and the term of office, as well as disclose to the Company the names of such companies or institutions. If the Board considers a Director has a conflicting interest in any proposal under consideration, such Director shall report his/her interests and abstain from voting and may, when necessary, apply for absence. The Board requires Directors to confirm whether there is any connected transaction between the Directors or their respective associates and the Company or its subsidiaries at each financial Reporting Period. Any material transactions relating to connected persons, which have been confirmed, will be disclosed in notes to the financial statements of an annual report.

There are three independent non-executive Directors, representing over one-third of the Board. The independent non-executive Directors possess extensive professional expertise and experience, and can fully perform their important functions of supervision and balance to protect the interests of the Shareholders and the Company as a whole. In determining the independence of a non-executive Director, the Director is considered independent only after the Board has confirmed that there is no direct or indirect material relationship between the Director and the Company. The Board considers that the independent non-executive Directors are able to make independent judgment effectively and satisfy the guideline on assessing independence as set out in Rule 3.13 of the Listing Rules.

The Company has complied with the requirement concerning the appointment of sufficient independent non-executive Directors, that at least one of them should possess appropriate professional qualification or accounting or relevant financial expertise and that independent non-executive Directors should represent one third or above of the Board as set out in Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The independent non-executive Directors of the Company are able to express their views independently, objectively and fairly.

Assessment on Board independence

The Company has established an independence assessment mechanism for the Board, enabling the Board to effectively exercise its independent judgement to better safeguard the interests of Shareholders. During the Reporting Period, the Board has reviewed the implementation and results of the independence assessment mechanism, as well as its independence, both with satisfactory results.

Corporate Governance Report (Continued)

The Board (Continued)

Directors' training

During the Reporting Period, the Company organized video training sessions for all Directors covering topics such as the “Overview of Directors' Responsibilities (《董事責任概覽》)”, “Inside Information (《內幕消息》)”, “Directors' Holding and Dealing in Securities (《董事持有及買賣證券》)”, and “Corporate Governance (《企業管治》)”. Furthermore, the Company facilitated continuous learning on compliance management systems for state-owned enterprises through the provision of professional literature and other educational resources, ensuring that each Director remains fully informed and capable of contributing effectively to the Board.

In addition, the following Directors also developed and updated their knowledge and skills through attending trainings:

In 2025, all Directors participated in on-site training on Hong Kong securities compliance conducted by the Company's legal advisers, with a duration of one hour.

Mr. Gao Feng'an participated in the Global BC Technology Innovation Summit and the 14th Bifi PV Workshop, learning cutting-edge photovoltaic technologies for a total of 16 hours. In addition, he learned about the board of directors and their responsibilities, the Listing Rules, and Hong Kong laws and regulations through self-study and other channels, totaling 26 hours.

Mr. Su Kun participated in the independent director training course organized by the China Association for Public Companies and the 2025 first phase independent director continuing education program for listed companies organized by the Shanghai Stock Exchange. The training primarily covered topics such as changes in independent directors' legal responsibilities under the new circumstances, information disclosure by listed companies and the standardized performance of duties by independent directors, key points for information disclosure in mergers and acquisitions of listed companies, as well as key points and recommendations for independent directors' anti-fraud performance of duties. The total training hours amounted to 34 hours.

Ms. Hao Meiping participated in the 2025 third phase independent director continuing education program for listed companies organized by the Shanghai Stock Exchange, as well as the 2025 compliance performance training for directors, supervisors, and senior management of listed companies. The training primarily covered topics such as information disclosure supervision of listed companies and the standardized performance of duties by independent directors, key points for information disclosure in mergers and acquisitions of listed companies, key points and recommendations for independent directors' anti-fraud performance of duties, and the latest market value management policies for listed companies. The total training hours amounted to 46 hours.

Mr. Yao Rui learned about the board of directors and their responsibilities, the Listing Rules, and Hong Kong laws and regulations through self-study and other channels, totaling 30 hours.

Corporate Governance Report (Continued)

The Board (Continued)

Directors' training (Continued)

The newly appointed Directors, Mr. Gao Feng'an and Mr. Yao Rui, have been provided with necessary induction and information to ensure that they have a proper understanding of the Company's operations and businesses as well as their responsibilities under relevant statutes, laws, rules and regulations. Each of Mr. Gao Feng'an and Mr. Yao Rui confirmed that he obtained the legal advice as referred to in Rule 3.09D of the Listing Rules on 29 May 2025 and 15 October 2025, respectively, and understood his obligations as a Director.

The Company has arranged appropriate insurance cover in respect of possible legal action against the Directors, supervisors and senior management of the Company.

Duties of the management

The management of the Company is responsible for the management of production and operations, organising and implementing resolutions of the Board, organising the implementation of the Company's annual business plans and investment schemes, formulating plans for the establishment of the Company's internal management structure, formulating the basic management system of the Company, and exercising other authorities conferred under the Articles of Association and by the Board. Meanwhile, the information submitted to Directors on the Company's operations and businesses each month through meetings or emails, enabling the Directors to fully understand the operations and businesses of the Company.

The chairman and the general manager

The chairman of the Board is responsible for the operation and management of the Board while the general manager takes charge of the day-to-day management of the Company's business. Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. In order to ensure a balanced distribution of power and authorization, as of 31 December 2025, the chairlady of the Company is Ms. Yang Hua (executive Director), and the general manager is Mr. Gao Feng'an. The roles of the chairlady and the general manager are clearly delineated as they are held by two individuals respectively.

Under the assistance of the deputy general manager, the general manager, as the chief manager of the Company's day-to-day affairs, is responsible for managing the day-to-day affairs of the Company, organising the implementation of resolutions of the Board, organising the implementation of the Company's annual business plans and investment schemes, assuming a direct responsibility for the operation performance of the Company, and is accountable to the Board for the overall operation of the Company.

Corporate Governance Report (Continued)

The Board (Continued)

The chairman and the general manager (Continued)

The general manager and the deputy general manager make concerted efforts to collaborate with administrative departments of the Company to ensure the Board and the Board committees can access to complete, reliable and proper information so that the Directors can make decisions with adequate data and to ensure proper implementation of the Board's resolutions. The general manager closely monitors the operation and financial results of the Company based on plans and budgets and makes suggestions to the Board in respect of material events.

Company Secretary

The Company Secretary ensures good exchange of information among Board members and compliance with Board policies and procedures.

In 2025, the Company Secretary participated in the 86th enhanced continuing professional development seminar for governance professionals organized by The Hong Kong Institute of Chartered Secretaries. The training primarily covered topics such as optimization of the annual audit process and practical analysis of performance reporting, corporate governance and legal compliance issues in cross-border financing and listings, as well as the drafting of Hong Kong stock performance reports, disclosure process management, and compliance operations. The total training hours amounted to 16.5 hours.

Board meetings

The chairman of the Board is responsible for convening and presiding over the Board meetings. The chairman of the Board seeks to ensure all Directors' proper access to accurate, timely and sufficient data in connection with the proposals to be considered by the Board to enable their informed decisions. While a 14 days' prior notice of a regular Board meeting is given, the agenda of meeting and the meeting documents attached are circulated at least 3 days prior to the holding of a Board meeting or a meeting of any special committee.

The chairman of the Board encourages the Directors to be fully engaged in the Board's affairs and make contributions to the functions of the Board, and the Directors also conduct on-site inspections of the Company's production bases from time to time. The Board adopts sound corporate governance practices and procedures and takes appropriate steps to encourage the Directors' open and candid communications so as to ensure non-executive Directors may raise queries with and maintain effective communications with each executive Director.

Corporate Governance Report (Continued)

The Board (Continued)

Board meetings (Continued)

It is expressly provided in the Rules of Procedure for the Board of Directors that, if a Director has a related relationship with the enterprise or individual involved in the resolution of the Board meeting, the Director shall promptly report in writing to the Board. Related Directors shall not exercise voting rights on the resolution, nor shall they act as proxies for other Directors to exercise voting rights. The Board meeting can be held with the attendance of more than half of the unrelated Directors, and resolutions made at the Board meeting must be passed by more than half of the unrelated Directors. If the number of unrelated Directors attending the Board meeting is less than three, the matter shall be submitted to the shareholders' meeting for review.

During the Reporting Period, the Company held four on-site Board meetings, passed two written resolutions, and held two Audit Committee meetings, one Remuneration and Appraisal Committee meeting, one Nomination Committee meeting, one annual general meeting, and three extraordinary general meetings. The attendance details of the Directors are as follows:

Number of meetings attended/Number of meetings held during the tenure is set out as follows:

Director	Board Meetings	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee	Annual General Meeting	Extraordinary General Meeting
Ms. Yang Hua	4/4	–	–	–	1/1	3/3
Mr. Gao Feng'an	2/4	–	–	–	–	1/3
Mr. Ma Zhibin	2/4	–	1/1	1/1	–	1/3
Mr. Fang Zhongxi	4/4	–	–	–	1/1	3/3
Mr. Wang Dong	4/4	–	–	1/1	1/1	3/3
Mr. Su Kun	4/4	2/2	–	1/1	1/1	3/3
Mr. Li Yong	4/4	2/2	1/1	1/1	1/1	3/3
Ms. Hao Meiping	4/4	2/2	1/1	1/1	1/1	3/3
Mr. Yao Rui	–	–	–	–	–	–

Corporate Governance Report (Continued)

The Board (Continued)

Board meetings (Continued)

In accordance with the Articles of Association, the Directors, when necessary, may propose to convene an extraordinary Board meeting. They may also, when they consider necessary, obtain the Company's information and independent expert opinion, where expenses incurred are borne by the Company.

Board committees

Four special committees are established under the Board, namely the Nomination Committee, the Audit Committee, the Remuneration and Appraisal Committee and the Strategy Committee, the terms of reference of which are determined in accordance with the principles set out in the CG Code. The Board committees report to the Board. In order to perform their duties, the Board committees have the authority to engage lawyers, accountants or other professionals for professional advice when necessary, the expenses of which are borne by the Company.

Nomination Committee

As at 31 December 2025, the Nomination Committee comprises one executive Director and three independent non-executive Directors, including Mr. Gao Feng'an (executive Director), Mr. Su Kun (independent non-executive Director), Mr. Li Yong (independent non-executive Director) and Ms. Hao Meiping (independent non-executive Director), and is chaired by Mr. Li Yong. The Nomination Committee shall provide the Board with its advice on appointment of Directors, assessment of the Board's composition and change of Directors in accordance with certain agreed standards. The relevant standards include a Director's proper professional knowledge and work experience, personal integrity and commitment of adequate time. The Nomination Committee is responsible for the selection and recommendation of Director candidates, including consideration of candidates recommended by others and, when necessary, sourced through public recruitment.

The Nomination Committee gives full consideration to the principle of Board diversity in selecting and recommending Director candidates, mainly including but not limited to gender, age, culture and educational background or professional experience, as well as the Board members' recommendations on the development of the Company in various aspects based on their professional competence in different fields.

Corporate Governance Report (Continued)

The Board (Continued)

Board committees (Continued)

Nomination Committee (Continued)

With reference to the requirements in code provision B.3.1 of the CG Code, the Board formulated the Terms of Reference and Organisation Rules for the Nomination Committee. The major terms of reference of the Nomination Committee are as follows:

- to review the structure, size and composition of the Board at least once annually;
- to assist the Board in maintaining a board skills matrix and make recommendations on the proposed changes to the Board in order to cope with the Company's corporate strategy;
- to identify individuals suitably qualified to become Board members, and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- to assess the independence of the independent non-executive Directors;
- to make recommendations to the Board on the appointment or re-appointment as well as the succession plan of Directors.

During the Reporting Period, all Directors have given sufficient time and attention to the affairs of the Company. Their performance and time commitment were satisfactory.

During the Reporting Period, the Nomination Committee conducted work focusing on the aforesaid terms of reference and discussed the formulation of policy on the nomination of Directors, nomination procedures adopted for candidates for Directors and the selection and recommendation rules. In 2025, the Nomination Committee convened one meeting to mainly nominate candidates for directors and general managers.

Audit Committee

As at 31 December 2025, the Audit Committee comprises three independent non-executive Directors, namely Mr. Su Kun (independent non-executive Director), Mr. Li Yong (independent non-executive Director) and Ms. Hao Meiping (independent non-executive Director) and is chaired by Mr. Su Kun, who has proper professional qualifications and financial experiences. The main role of the Audit Committee is to review the financial reports of the Company, review internal control, appoint auditors and provide advice in respect thereof to the Board.

Corporate Governance Report (Continued)

The Board (Continued)

Board committees (Continued)

Audit Committee (Continued)

By reference to the recommendations in A Guide for Effective Audit Committees issued by Hong Kong Institute of Certified Public Accountants and the requirements of code D.3.3 of the CG Code, the Board has formulated the Terms of Reference and Organisation Rules for the Audit Committee of the Company. The major terms of reference of the Audit Committee are as follows:

- to be primarily responsible for making recommendations to the Board about the appointment, re-appointment and removal of external auditors, and assess the external auditors' work and supervise the independence, work procedures, quality and results of the external auditors;
- to review and supervise the Company's financial statements and the integrity of the annual reports and accounts, and interim reports, and review major opinions related to the financial reporting on the statements and reports;
- to review the Company's financial reporting system, risk management and internal control system.

During the Reporting Period, the major work of the Audit Committee included:

- considered the audited financial reports of the Company for 2024 and reviewed the financial reports for the first half of 2025;
- considered the report in relation to the execution of continuing connected transactions of the Company for 2024;
- considered the report in relation to the audit fees of the Company for 2024;
- considered the proposal for appointment of the Company's auditors for 2025.

During the Reporting Period, the Audit Committee convened two meetings with an average attendance rate of 100%. The senior management and external auditor were invited to all meetings.

Corporate Governance Report (Continued)

The Board (Continued)

Board committees (Continued)

Remuneration and Appraisal Committee

As at 31 December 2025, the Remuneration and Appraisal Committee comprises one executive Director and two independent non-executive Directors, including Mr. Gao Feng'an (executive Director), Mr. Li Yong (independent non-executive Director) and Ms. Hao Meiping (independent non-executive Director), and is chaired by Ms. Hao Meiping.

The Board has formulated the Terms of Reference and Organisation Rules for the Remuneration and Appraisal Committee of the Company. The major terms of reference of the Remuneration and Appraisal Committee are as follows:

- to make proposals to the Board on the remuneration policy and structure for all Directors and senior management personnel of the Company and the establishment of a formal and transparent procedure for formulating remuneration policy;
- to review and approve the proposed remuneration of the management in accordance with the corporate policies and objectives made by the Board;
- to take responsibility to determine the specific remuneration packages for all executive Directors and senior management personnel, and make recommendations on the remuneration of non-executive Directors to the Board.

During the Reporting Period, the Remuneration and Appraisal Committee conducted work focusing on the aforesaid terms of reference, evaluated the performance of the executive Directors and approved the terms of service contracts of executive Directors. In 2025, it convened one meeting to consider the proposal in relation to the remuneration status of Directors and supervisors of the Company for 2024, the proposal in relation to the remuneration status of the senior management of the Company for 2024, and the proposed authorization by the shareholders' meeting to the Board to determine the remuneration of Directors and supervisors of the Company for 2025.

Remuneration policy for executive Directors: The remuneration portfolio policy for executive Directors is designed to link executive Directors' remuneration and their performance with corporate goals so as to inspire their better performance and retention. In accordance with the Articles of Association, the Directors shall not approve their own remuneration.

Remuneration policy for non-executive Directors: Remuneration of non-executive Directors are subject to the approval by shareholders' meetings and determined with reference to the complexity of the matters to be handled by them and their duties. Pursuant to the service contracts entered into between the Company and the non-executive Directors, the Company reimburses non-executive Directors for the out-of-pocket expenses incurred in performance of their duties (including attendance at the Company's meetings).

Corporate Governance Report (Continued)

The Board (Continued)

Board committees (Continued)

Remuneration and Appraisal Committee (Continued)

Remuneration policy for employees of the Group: Remuneration of employees of the Group are always based on their work performance so as to motivate employees, reward outstanding performance and fully leverage the incentive role of remuneration. To ensure fairness, justice and reasonableness, the Company assesses and distributes remuneration in strict accordance with the assessment management authority, assessment contents and standards for all categories of employees to encourage them to create more value to the enterprise by using their greatest potential. Meanwhile, the Company insists on providing competitive remuneration to attract talents and enhance the Company's competitiveness in the market.

Pursuant to applicable laws and regulations of China, the Group currently participates in a series of pension and social insurance schemes organized by provincial and municipal governments, pursuant to which the Group must contribute to such pension funds according to certain proportions of the salaries, bonus and various allowance of the employees. As the production plants are located in different regions, the proportions of contributions to such pension funds amongst the production plants are also different.

Strategy Committee

As at 31 December 2025, the Strategy Committee comprises two executive Directors, one non-executive Director and two independent non-executive Directors, including Ms. Yang Hua (executive Director), Mr. Gao Feng'an (executive Director), Mr. Fang Zhongxi (non-executive Director), Mr. Li Yong (independent non-executive Director) and Ms. Hao Meiping (independent non-executive Director), and is chaired by Mr. Gao Feng'an.

The Board has formulated the Terms of Reference and Composition Rules for the Strategy Committee of the Company. The major terms of reference of the Strategy Committee are as follows:

- to research the Company's medium and long-term development strategies and major investment decisions, and put forward proposals;
- to review the Company's plans on major investment, financing, capital operation, asset operation and other major issues, and put forward proposals to the Board;
- to review the Company's material asset disposals and put forward proposals to the Board.

Corporate Governance Report (Continued)

Statement of financial responsibility of the Board

The Board is responsible for the preparation of the Company's financial reports and takes the responsibility for the completeness and legitimacy of the financial data as well as the effectiveness of the Company's internal control system and risk management process. The general manager of the Company is responsible for the daily management of the operation of the Company. The Board makes periodic review on the functions of and the powers delegated to the general manager.

The Directors acknowledge their responsibilities to prepare financial statements of the Company for each financial year, to report truly and fairly on the financial status of the Group, to comply with applicable accounting standards and adopt appropriate accounting policies in the preparation of the financial statements and to disclose the financial status of the Company accurately.

For auditor's reporting responsibilities, please refer to the auditor's report in this annual report.

Securities transactions by Directors

The Board has adopted the Model Code as the code of conduct regarding securities transactions by Directors of the Company. The Model Code is also applicable to selected employees who may possess certain inside information of the Company that has not been disclosed, including such employees in the Company's subsidiaries and parent company. Upon appointment, each Director would receive a copy of the Model Code. The Company shall, 30 days prior to the Board meeting to approve the Company's interim results and 60 days prior to the Board meeting to approve the Company's annual results, issue an indicative notice to remind the Directors that they must not deal in the Company's shares until the publication of the results announcement.

All Directors confirm that during the Reporting Period, all Directors and the selected employees who may possess certain inside information of the Company that has not been disclosed complied with the Model Code and none of the said persons had interests or short positions which are required to be notified to the Company and the Stock Exchange, or incurred any violation of regulations.

Internal control system

Internal control and internal audit

Internal control system

The Board is fully in charge of the Company's internal control system, including its overall financial and operational status, hence avoiding material financial omission or loss and any omission or risk in relation to operation controls. Through its Audit Committee, the Board makes periodic (at least twice per year) review on the effectiveness of the internal control system of the Group, which includes controls over finance, operations, regulatory compliance and risk management. Relevant results of 2025 have been reported to the Board through the Audit Committee.

Corporate Governance Report (Continued)

Internal control system (Continued)

Internal control and internal audit (Continued)

Internal control system (Continued)

The Company reviews the internal control system in the process of all operations of the Company by questionnaires and systematic evaluations once a year, and also reviews the internal control system in the process of operations of the Company by engaging domestic and foreign lawyers.

The Company has set up procedures and systems for efficient recognition, assessment and management of material operating risks and systems to address significant internal control deficiencies, and has complied with the code provisions relating to internal controls as set out in the CG Code for the year ended 31 December 2025.

Internal audit

The Company has set up an internal audit department, which oversees the internal controls, ensures the achievement of the corporate goals and conducts independent audit. The audit and legal affairs department gives its prudent opinion as to whether the Company's operations have a comprehensive and efficient risk management system. In 2025, all audit reports and opinions were submitted to the general manager and other executive Directors as well as the senior management of the audit department. The audit department also follows up on issues identified during the audit process and conducts follow-up audit to ensure that such issues have been resolved. In addition, a regular dialogue is maintained between the internal audit and the external auditor so that both are aware of the significant factors that may affect their respective scope of work.

Risk management

The Board has always attached great importance to the establishment of the Company's operational risk management system and properly implements operational risk management procedures across the Company. The Company reviews the risk management system in the process of all operations of the Company by questionnaires and systematic evaluations once a year. The Board fulfills its oversight role over the Company and its subsidiaries in the following areas:

- establishment of the risk management system and identification of the risk portfolio of the Company;
- identification, assessment and management of the material risks faced by various subsidiaries of the Company;
- review and assessment of the appropriateness of the risk management process, system and internal control;
- review and monitor the execution of the risk management process, system and internal control, including compliance with requirements of prudence and legality while conducting businesses.

Corporate Governance Report (Continued)

Internal control system (Continued)

Internal control and internal audit (Continued)

Risk management (Continued)

The Company appoints personnel with proper experience and skills as directors and senior management of the subsidiaries to oversee the operations of those subsidiaries. Monitoring activities include review and approval of business strategies, budgets and plans as well as setting up key business performance indicators. The identification, evaluation and report on the likelihood and potential financial impact of material business risks are issues left to the management personnel of such companies.

During the year 2025, the Company continued its risk management and internal controls, mainly in the areas of financial management, risk control, corporate compliance and financial operations risk control, by holding regular business meetings and reporting the relevant implementation results; and has confirmed that the resources, employees' qualifications and experience in accounting, internal audit and financial reporting functions, as well as the training courses for the employees and the related budgets are adequate. The Company's risk management and internal controls are designed to manage rather than eliminate the risks of failure in achieving business objectives, and to provide only a reasonable, but not absolute, assurance against material misstatements or losses.

The Board is responsible for the risk management and internal control systems, and has responsibility to review such systems as to their effectiveness. During the year 2025, the Board continued to supervise the effectiveness of the Group's risk management and internal control systems, and considered that such risk management and internal control systems were effective and adequate.

In the aspect of information disclosure, the Company's information disclosures are regulated in accordance with the requirements and procedures to ensure compliance with the relevant laws and regulations of the Mainland China and Hong Kong, and the rules and requirements of the Listing Rules, so as to correctly fulfill the obligation of information disclosure, which are incorporated into the daily assessment to ensure information disclosures are in sound compliance. In addition, the Company has formulated the Manuals on Information Disclosure Management of IRICO Group New Energy Company Limited (《彩虹集團新能源股份有限公司信息披露管理制度》) in respect of the procedures for and internal control over the handling and publication of inside information, involving scope, compliant disclosure and reporting procedures thereof. All reasonable measures are taken to make sure that external regulation and internal management are fully implemented.

The chairman of the Board is the first responsible person of the Company's information disclosure. The secretary of the Board is responsible for the coordination and organisation of the specific matters of information disclosure. The office of the Board is the department responsible for the daily management of information disclosure.

Corporate Governance Report (Continued)

Internal control system (Continued)

Internal control and internal audit (Continued)

Risk management (Continued)

The Company has established an information disclosure system with corresponding risk management and internal control related documentation. The relevant process is as follows:

- (I) The person-in-charge of the department that provides the data conscientiously checks the relevant data manuscript to ensure its truthfulness, accuracy and completeness, and upon confirmation that there are no misinterpretations, misleading statements or material omissions;
- (II) The secretary of the Board conducts a compliance review, and if necessary, submits to the Board for approval;
- (III) The chairman or the authorised representatives of the Board signs and approves the issuance of the information.

In 2025, the Company has complied with the above internal systems in relation to information disclosure obligations and made timely announcements of important matters that are to be disclosed. The Company has ensured the truthfulness, accuracy, completeness and timeliness of the disclosed information, and made sure that the investors were able to obtain publicly disclosed information in an open, fair and equitable manner.

External auditor and their remuneration

As approved at the 2024 annual general meeting of the Company held on 9 May 2025, WUYIGE Certified Public Accountants LLP was appointed as the auditor of the Company for year 2025. The Audit Committee reviewed the letter from WUYIGE Certified Public Accountants LLP to confirm its independence and objectivity, and held meetings with the said auditor to discuss its audit scope and fees.

For the year ended 31 December 2025, the remuneration of the external auditor amounted to RMB1.97 million, all of which was audit service fees. There were no non-audit service fees during the year ended 31 December 2025. The audit fee has been approved by the Audit Committee and the Board.

Corporate Governance Report (Continued)

Rights of Shareholders and investor relations

Shareholders' meetings

The Company encourages Shareholders' attendance at annual general meetings and gives a notice not less than 20 days before the annual general meetings and not less than 15 days before the extraordinary general meetings. The chairman of the Board shall attend and preside over the general meetings, and other Directors (especially non-executive Directors and independent non-executive Directors) shall attend the general meetings, including annual general meeting and extraordinary general meeting.

All Shareholders have rights to request the convening of an extraordinary general meeting and put forward proposals for Shareholders' consideration in accordance with the Articles of Association. At the general meetings, each matter is put forward in the form of a separate proposal and voted by way of poll. Voting results of the general meeting are released in the form of announcements and relevant details of the meeting are published on the respective websites of the Stock Exchange and the Company.

On 17 January 2025, the first extraordinary general meeting was held at the conference room on the 2nd Floor at C6, No. 3 Xinghuo Avenue, High-Tech Industrial Development Zone, Xianyang City, Shaanxi Province, the PRC.

On 9 May 2025, the 2024 annual general meeting was held at the conference room on the 2nd Floor at C6, No. 3 Xinghuo Avenue, High-Tech Industrial Development Zone, Xianyang City, Shaanxi Province, the PRC.

On 29 May 2025, the second extraordinary general meeting was held at the conference room on the 2nd Floor at C6, No. 3 Xinghuo Avenue, High-Tech Industrial Development Zone, Xianyang City, Shaanxi Province, the PRC.

On 15 October 2025, the third extraordinary general meeting was held at the conference room on the 2nd Floor at C6, No. 3 Xinghuo Avenue, High-Tech Industrial Development Zone, Xianyang City, Shaanxi Province, the PRC.

Details of the above general meetings are set out on the respective websites of the Stock Exchange and the Company.

Investors and the public may also access the Company's website for detailed data of the Company's businesses. The Company's interim and annual results announcements can also be downloaded from the websites of the Stock Exchange and the Company.

According to the information available to the Company and as far as the Directors are aware, over 25% of the Company's total issued share capital has been held by public Shareholders.

Corporate Governance Report (Continued)

Rights of Shareholders and investor relations (Continued)

Rights of Shareholders

Convening general meetings by Shareholders

In accordance with the provisions under the Articles of Association, when Shareholders request to convene an extraordinary general meeting, the following procedures shall be followed:

- A shareholder or shareholders holding individually or collectively ten percent or more of the voting shares of the Company who request the Board to convene an extraordinary general meeting shall make such request to the Board in writing. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, provide feedback within ten days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary general meeting.
- If the Board agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within ten days after making the board resolution. Any change to the original proposal in the notice shall obtain the consent of the relevant shareholders.
- If the Board disagrees to convene an extraordinary general meeting, or fails to provide feedback within ten days after receiving the proposal, the shareholder or shareholders holding individually or collectively ten percent or more of the voting shares of the Company may propose to the Audit Committee to convene an extraordinary general meeting, and shall make such request to the Audit Committee in writing.
- If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within ten days after receiving the request. Any change to the original request in the notice shall obtain the consent of the relevant shareholders. If the Audit Committee fails to issue the notice of general meeting within the prescribed period, it shall be deemed that the Audit Committee will not convene and preside over the general meeting. In such case, a shareholder or shareholders holding individually or collectively ten percent or more of the voting shares of the Company for more than 90 consecutive days may convene and preside over the meeting by themselves.

Enquiry by Shareholders and communication

Shareholders demanding inspection of the relevant information or requesting copies of the materials shall provide the Company with written documents evidencing the class and number of shares of the Company they hold. Shareholders may contact the Company Secretary through the hotline at (8629) 3333 3850 or by email at chxny@ch.com.cn. Upon verification of the Shareholder's identity, the Company shall provide such information or handle the enquiries in an appropriate way at the Shareholder's request.

Corporate Governance Report (Continued)

Rights of Shareholders and investor relations (Continued)

Rights of Shareholders (Continued)

Information disclosure and investor relations

The Company is committed to increasing transparency and improving investor relations and has attached great importance to Shareholders' responses in this regard. The Company undertakes that it shall make impartial disclosure and provide full and transparent reports. The ultimate duty of the chairman of the Board is to ensure efficient communications with investors and to ensure the Board's understanding of the opinions of substantial Shareholders. After the Company's announcements of its interim and annual results, the Board is committed to providing Shareholders with clear and comprehensive results of the Group by publishing interim and annual reports. The Company endeavours to maintain a continuous candid communication with institutional investors and analysts, so as to deepen their understanding of the Group's management, financial condition, operation, strategies and plans. The Company's management and Investor Relations Management Department conduct individual and group meetings (online and on-site) with investors from time to time, hold results press conferences and non-deal roadshows, and participate in investor forums organised by financial institutions to provide investors with a more comprehensive interpretation and analysis of the Company's business philosophy and operations. Analysts and investors are welcome to visit the Company's business places and production bases.

During the Reporting Period, through the above communication measures with investors, the Company has reviewed and considered the effectiveness of its shareholder communication policy, and believes that the Company's shareholder communication policy was implemented fully and effectively. The Company will further improve the investor relation management system to ensure better communication with investors.

Articles of Association

On 16 September 2025, the Board considered and approved (among other things) the resolutions in relation to the proposed amendments to the Articles of Association, the Rules of Procedure for General Meetings and the Rules of Procedure for Board Meetings (the "Proposed Amendments to the Articles of Association and Relevant Rules of Procedure").

Corporate Governance Report (Continued)

Articles of Association (Continued)

On 14 February 2023, the State Council issued a notice on the abolition of the Special Provisions of the State Council on the Overseas Offering and Listing of Shares by Limited Liability Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》), which was formally implemented on 31 March 2023. On 17 February 2023, the China Securities Regulatory Commission (the “CSRC”) issued the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》), and abolished the Necessary Provisions of the Articles of Association of Overseas Listed Companies (《到境外上市公司章程必備條款》), which was formally implemented on 31 March 2023. The current Articles of Association of the Company were mainly made in accordance with the original Company Law and the above two provisions. Therefore, in accordance with the Company Law, the Securities Law of the People’s Republic of China, the Trial Measures for the Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, and the Listing Rules, and with reference to laws and regulations such as the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) and the Rules for the General Meetings of Listed Companies (《上市公司股東會規則》) issued by the CSRC, and in light of the actual situation of the Company, the Company intended to amend the relevant provisions of the Articles of Association. At the same time, the Company intended to abolish the relevant provisions involving class shares and the Supervisory Committee, which will be replaced by the audit committee of the Board to exercise the functions and powers of the supervisory committee as stipulated in the Company Law. Relevant systems such as the rules of procedure for the Supervisory Committee of the Company shall be abolished accordingly. In view of the proposed amendments to the Articles of Association, the Company also proposed to amend the Rules of Procedure for General Meetings and the Rules of Procedure for Board Meetings simultaneously to align with such amendments.

After consideration, the Board agreed to submit the Proposed Amendments to the Articles of Association and Relevant Rules of Procedure to the extraordinary general meeting held on 15 October 2025 (the “EGM”) for consideration and approval by special resolution. The Proposed Amendments to the Articles of Association and Relevant Rules of Procedure took effect from the date of approval at the EGM. The Board is of the view that the Proposed Amendments to the Articles of Association and Relevant Rules of Procedure are in compliance with the relevant laws and regulations in the PRC and the Core Shareholder Protection Standards as set out in Appendix A1 of the Listing Rules, will not prejudice the protection of Shareholders of the Company or have a material impact on the relevant shareholder protection measures, nor will it adversely affect the business operation of the Company, and are in the interests of the Company and the Shareholders as a whole. For details, please refer to the circular of the Company dated 22 September 2025.

The latest version of the Articles of Association is available on the websites of the Stock Exchange and the Company.

By order of the Board
Yang Hua
Chairlady

Xianyang, the People’s Republic of China
25 March 2026

Da Xin Shen Zi [2026] No. 1-00203

TO THE SHAREHOLDERS OF IRICO GROUP NEW ENERGY COMPANY LIMITED,

I. Audit Opinion

We have reviewed the financial statements of IRICO Group New Energy Company Limited (the "Company"), which comprise the consolidated and parent balance sheet as at 31 December 2025, the consolidated and parent income statement, the consolidated and parent statement of cash flows, the consolidated and parent statement of changes in owner's equity for 2024 as well as the notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises in all material aspects, and they fairly present the Company's consolidated and parent financial position as of 31 December 2025, and the Company's consolidated and parent operating results and cash flows for 2025.

II. Basis for Audit Opinion

We conducted our audit in accordance with the Auditing Standards for PRC Certified Public Accountants. Our responsibilities under those standards are further described in the section headed "Certified Public Accountants' Responsibilities for the Audit of the Financial Statements" in our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountants (the "Code") and Independence Requirements regarding Public Interest Entities under the Independence Standards for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We have complied with the independence requirements applicable to the audit of financial statements of public interest entities..

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit Report (Continued)

III. Key Audit Matters

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

Key audit matters identified in our audit are summarised as follows:

(I) Recognition of revenue

1. *Description*

Please refer to Note III (XXX) for accounting policies of revenue recognition; refer to Note V (XXXVII) for the disclosure of revenue.

In 2025, the consolidated revenue of the Company amounted to RMB2,905 million, mainly sourcing from photovoltaic glass. The general principle for revenue recognition is that the Company recognizes revenue when the performance of obligation in a contract is fulfilled, namely the customer obtains control of relevant goods or services. As revenue is one of the key performance indicators of the Company and involves management judgment, giving rise to an inherent risk that revenue may be recognized in the incorrect periods or manipulated to meet targets or expectations, we identified revenue recognition as a key audit matter.

Based on the Company's business, the specific method for revenue recognition is as follows: revenue recognition for domestic sales: deliver the products to the customer's designated delivery location, and recognises the sales revenue after the customer's acceptance and signature of relevant documents. Revenue recognition for export sales: according to the contracts or orders and business trading conventions, goods will be issued, and the goods will be recognized as sales revenue after the export declaration formalities have been completed.

III. Key Audit Matters (Continued)

(I) Recognition of revenue (Continued)

2. Auditor's response

Our audit procedures for the revenue recognition mainly include:

- (1) Understood and evaluated the design and effectiveness of operation of the key internal control by the management relevant to revenue recognition;
- (2) Selected samples to review the sales contracts and analysed the same via the "five-step method", judged the composition of the contract performance obligations and the timing of transfer of control rights, to assess whether the policy and timing to recognise the Company's sales revenue meet the requirements under the accounting standards;
- (3) Assessing whether it has control over the goods before they are transferred to the customer, to determine whether it is acting as a principal or an agent in the transaction;
- (4) Implement confirmation procedures with major customers to confirm the sales amount for the current period, verifying the authenticity and completeness of business revenue. In connection with the confirmation procedures for accounts receivable and revenue, perform detailed testing, select samples of revenue transactions recorded in the current period, and inspect supporting documents relevant to revenue recognition, including sales contracts, orders, invoices, outbound delivery notes, product transportation documents, customer acknowledgment receipts, export documentation, etc., to understand and analyze key contract terms, and focus on the authenticity of commercial background, the reasonableness of transaction purpose, the rationality of the sales model and the fairness of transaction prices, etc. Combined with the finished goods physical count procedures, increase the sample proportion of tracing from physical goods to accounting records to identify situations where revenue is recognized for finished goods that have not been shipped;
- (5) Performed analytical procedures on revenue and cost, including: analysis on fluctuation in revenue, cost, gross profit margin for each month of the current period, and performed analytical procedures on the revenue, cost, gross profit margin of principal products for the current period as compared to that of the comparable companies in the industry and comparative analysis of the previous period in order to check the accuracy of revenue recognised;
- (6) Selected samples of revenue transactions recorded around the balance sheet date and checked the outgoing list, receipt form and other supportive documents, in order to evaluate whether the revenue is recorded in an appropriate accounting period.

Audit Report (Continued)

III. Key Audit Matters (Continued)

- (II) Carry amount of fixed assets and construction in progress

1. *Description*

Please refer to Note III (XIX)/(XX) for the accounting policy for fixed assets and construction in progress; refer to Note V (XI)/(XII) for the disclosure of fixed assets and construction in progress.

The Company has made substantial investment in the construction of production lines for expansion of its photovoltaic glass production capacity and adjustment of product structure. As at 31 December 2025, the total consolidated carrying value of fixed assets and construction in progress of the Company amounted to RMB4,508 million.

The Company's judgement on determining which costs meet the criteria for capitalization, determining the timing for transfer of construction in progress to fixed assets and commencement of provision for depreciation and the estimation of useful economic lives and residual values of corresponding fixed assets will affect the carrying value of fixed assets and construction in progress, and the depreciation policy for fixed assets. We identified the carrying value of fixed assets and construction in progress as a key audit matter because of the major management judgement involved in the evaluation of carrying value of the fixed assets and construction in progress and its significance to the consolidated financial statements.

III. Key Audit Matters (Continued)

(II) Carry amount of fixed assets and construction in progress (Continued)

2. *Auditor's response*

Our audit procedures for carry amount of fixed assets and construction in progress mainly include:

- (1) Understood and evaluated the design and effectiveness of operation of key internal control (including estimation of useful economic lives and residual values) relevant to the completeness, existence and accuracy of fixed assets and construction in progress and tested the effectiveness of key control operations;
- (2) Selected samples to perform fixed assets and the construction in progress, and monitoring their physical conditions and operating status;
- (3) Checked, on a sample basis, the expenditure capitalised incurred during the year by checking the costs capitalised against the relevant supportive documents (including important materials, equipment and construction contracts, order for goods, acceptance report, procurement invoices and bank payment voucher, etc) and assessed whether the costs capitalised in the current year met the relevant criteria for capitalisation;
- (4) Checked, on a sample basis, the acceptance report or project progress report, to judge the accuracy of the timing for the transfer of construction in progress to fixed assets;
- (5) Examined the methodologies and assumptions of the impairment tests for fixed assets and construction in progress of the Company, and assessed whether the asset impairment methodology applied by management complied with the requirements of the applicable accounting standards;
- (6) Recalculated the recoverable amounts of fixed assets and construction in progress, and involved the auditor's valuation expert to review the valuation methodologies and key assumptions adopted by the external valuer engaged by management;
- (7) Evaluated the competence, capabilities and objectivity of the valuation expert engaged by management and the auditor's valuation expert;
- (8) Evaluated management's estimation of useful economic lives and residual values of fixed assets based on our knowledge of the Company's business and practices adopted in the industry.

Audit Report (Continued)

IV. Other Information

The management of the Company (the management) is responsible for other information. Other information includes the information included in the Company's 2025 annual report, but excludes the financial statements and our audit report.

Our audit opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit process or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of such other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of Management and Governance Layer for the Financial Statements

The management is responsible for preparing financial statements in accordance with Accounting Standards for Business Enterprises, and fairly presenting them; designing, implementing and maintaining necessary internal control to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing matters in relation to going concern, as appropriate, and applying the going-concern assumption unless the management intends to liquidate the Company, cease operations, or have no realistic alternative but to do so.

The governance layer is responsible for overseeing the financial reporting process of the Company.

Audit Report (Continued)

VI. Certified Public Accountants' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether these 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards 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 these financial statements.

As part of an audit work in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (I) Identify and assess the risks of material misstatement of the 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.
- (II) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (III) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (IV) Conclude on the appropriateness of management's 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 Company'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 these 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 circumstances may cause the Company to be unable to continue its operations as a going concern.
- (V) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Audit Report (Continued)

- (VI) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express audit opinions on the financial statements. We are responsible for the direction, supervision and performance of the group audit, and remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, 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 a statement to those charged with governance regarding compliance with the relevant ethical requirements regarding independence as stipulated in the Code of Ethics for Chinese Certified Public Accountants and the Independence Standards for Chinese Certified Public Accountants for public interest entities, and communicate with those charged with governance all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

WUYIGE Certified Public Accountants LLP

*Chinese Certified Public Accountant: Zhang Wei
(project partner)*

Chinese Certified Public Accountant: Han Yanpeng

Beijing • the PRC

25 March 2026

Consolidated Balance Sheet

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED Unit: RMB Yuan

Item	Note	31 December 2025	31 December 2024
Current Assets:			
Monetary funds	V(I)	322,329,129.16	423,462,813.52
Held-for-trading financial assets			
Derivative financial assets			
Bills receivable	V(II)	776,279,257.73	872,828,182.12
Accounts receivable	V(III)	1,177,797,144.97	608,085,903.10
Receivables financing	V(IV)	57,957,822.73	423,850,829.11
Prepayments	V(V)	64,235,192.29	67,776,169.41
Other receivables	V(VI)	29,512,729.02	28,020,318.24
Including: Interest receivable			
Dividend receivable			
Inventories	V(VII)	315,361,440.88	539,794,666.65
Including: Data resources			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year	V(VIII)	50,277,777.78	
Other current assets	V(IX)	54,938,331.46	136,403,981.34
Total current assets		2,848,688,826.02	3,100,222,863.49

Consolidated Balance Sheet (Continued)

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED Unit: RMB Yuan

Item	Note	31 December 2025	31 December 2024
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investments			
Other investments in equity instruments	V(X)	328,634,734.97	403,069,308.60
Other non-current financial assets			
Investment properties			
Fixed assets	V(XI)	3,645,931,539.94	3,364,714,104.57
Construction in progress	V(XII)	861,929,453.62	1,165,017,463.16
Productive biological assets			
Oil and gas assets			
Right-of-use assets	V(XIII)	246,814,171.90	296,121,343.86
Intangible assets	V(XIV)	160,316,379.30	163,456,632.77
Including: Data resources			
Development expenditures			
Including: Data resources			
Goodwill			
Long-term deferred expenses	V(XV)	21,043,986.06	23,588,927.66
Deferred tax assets	V(XVI)		437,173.54
Other non-current assets	V(XVII)	200,000,000.00	258,643,018.24
Total non-current assets		5,464,670,265.79	5,675,047,972.40
Total assets		8,313,359,091.81	8,775,270,835.89

Consolidated Balance Sheet (Continued)

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED Unit: RMB Yuan

Item	Note	31 December 2025	31 December 2024
Current liabilities:			
Short-term borrowings	V(XIX)	2,536,291,319.45	2,508,390,612.71
Held-for-trading financial liabilities			
Derivative financial liabilities			
Bills payables	V(XX)	472,943,983.50	498,477,824.98
Accounts payables	V(XXI)	586,693,372.48	602,700,193.40
Prepayments	V(XXII)	184,798.18	28,578.39
Contract liabilities	V(XXIII)	1,328,167.07	2,311,780.52
Employee benefits payable	V(XXIV)	16,242,492.28	19,661,340.05
Tax payables	V(XXV)	7,170,643.88	6,776,849.31
Other payables	V(XXVI)	32,687,269.66	39,836,814.75
Including: Interest receivable			
Dividend receivable			
Held-for-sale liabilities			
Non-current liabilities due within one year	V(XXVII)	600,722,122.12	951,388,353.45
Other current liabilities	V(XXVIII)	634,241,874.70	648,624,727.45
Total current liabilities		4,888,506,043.32	5,278,197,075.01
Non-current liabilities:			
Long-term borrowings	V(XXIX)	2,239,187,459.44	1,648,971,583.00
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liabilities	V(XXX)	202,822,751.07	246,301,794.11
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income	V(XXXI)	140,155,071.27	124,010,934.00
Deferred tax liabilities	V(XVI)	982,193.38	1,309,254.75
Other non-current liabilities			
Total non-current liabilities		2,583,147,475.16	2,020,593,565.86
Total Liabilities		7,471,653,518.48	7,298,790,640.87

Consolidated Balance Sheet (Continued)

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED Unit: RMB Yuan

Item	Note	31 December 2025	31 December 2024
Equity attributable to the shareholders:	V(XXXII)	176,322,070.00	176,322,070.00
Share capital			
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve	V(XXXIII)	4,281,160,374.64	4,281,160,374.64
Less: Treasury shares			
Other comprehensive income	V(XXXIV)	-154,743,009.16	-80,308,435.53
Special reserve			
Surplus reserve	V(XXXV)	22,477,267.06	22,477,267.06
Undistributed profit	V(XXXVI)	-3,483,511,129.21	-2,923,171,081.15
Total equity attributable to the shareholders' of the parent company		841,705,573.33	1,476,480,195.02
Minority interests			
Total equity attributable to the shareholders		841,705,573.33	1,476,480,195.02
Total liabilities and equity attributable to the shareholders		8,313,359,091.81	8,775,270,835.89

Legal representative:
Gao Feng'an

Person in charge of accounting:
Li Yunpu

Head of accounting department:
Zhang Shaozhuan

Parent Balance Sheet

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED Unit: RMB Yuan

Item	Note	31 December 2025	31 December 2024
Current Assets:			
Monetary funds		200,506,053.73	227,537,537.53
Held-for-trading financial assets			
Derivative financial assets			
Bills receivable		562,424,322.01	634,993,972.58
Accounts receivable	XVI(I)	1,607,109,632.59	1,270,654,858.34
Receivables financing		83,349,238.84	479,349,726.77
Prepayments		54,330,482.20	41,626,248.24
Other receivables	XVI(II)	217,900,283.65	102,414,981.55
Including: Interest receivable			
Dividend receivable		33,115,000.00	
Inventories			
Including: Data resources			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year		50,277,777.78	
Other current assets		2,900,167.16	2,900,167.16
Total current assets		2,778,797,957.96	2,759,477,492.17

Parent Balance Sheet (Continued)

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED Unit: RMB Yuan

Item	Note	31 December 2025	31 December 2024
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investments	XVI(III)	2,095,000,000.00	2,095,000,000.00
Other investments in equity instruments		328,634,734.97	403,069,308.60
Other non-current financial assets			
Investment properties			
Fixed assets		80,497.77	109,717.11
Construction in progress			
Productive biological assets			
Oil and gas assets			
Right-of-use assets		21,244.77	858,277.01
Intangible assets			1,106.25
Including: Data resources			
Development expenditures			
Including: Data resources			
Long-term deferred expenses			
Deferred tax assets			
Other non-current assets		200,000,000.00	250,277,777.78
Total non-current assets		2,623,736,477.51	2,749,316,186.75
Total assets		5,402,534,435.47	5,508,793,678.92

Parent Balance Sheet (Continued)

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED Unit: RMB Yuan

Item	Note	31 December 2025	31 December 2024
Current liabilities:			
Short-term borrowings		513,984,086.79	565,449,166.66
Held-for-trading financial liabilities			
Derivative financial liabilities			
Bills payables		1,119,564,477.40	1,418,747,780.40
Accounts payables		94,554,270.27	352,269,522.25
Prepayments			
Contract liabilities		395,944.53	1,036,900.87
Employee benefits payable		917,252.71	1,116,382.50
Tax payables		2,934,796.80	2,474,938.72
Other payables		378,920,063.32	44,213,722.05
Including: Interest receivable			
Dividend receivable			
Held-for-sale liabilities			
Non-current liabilities due within one year		216,223,296.46	693,001,055.85
Other current liabilities		440,482,594.73	428,934,684.68
Total current liabilities		2,767,976,783.01	3,507,244,153.98
Non-current liabilities:			
Long-term borrowings		1,207,000,000.00	486,000,000.00
Bonds payable			
Including: Preference shares			
Perpetual bonds			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Estimated liabilities			
Deferred income		879,629.62	935,185.18
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		1,207,879,629.62	486,935,185.18
Total Liabilities		3,975,856,412.63	3,994,179,339.16

Parent Balance Sheet (Continued)

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED Unit: RMB Yuan

Item	Note	31 December 2025	31 December 2024
Equity attributable to the shareholders:			
Share capital		176,322,070.00	176,322,070.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserve		4,267,762,218.92	4,267,762,218.92
Less: Treasury shares			
Other comprehensive income		-154,743,009.16	-80,308,435.53
Special reserve			
Surplus reserve		22,477,267.06	22,477,267.06
Undistributed profit		-2,885,140,523.98	-2,871,638,780.69
Total equity attributable to the shareholders		1,426,678,022.84	1,514,614,339.76
Total liabilities and equity attributable to the shareholders			
		5,402,534,435.47	5,508,793,678.92

Legal representative:
Gao Feng'an

Person in charge of accounting:
Li Yunpu

Head of accounting department:
Zhang Shaozhuan

Consolidated Income Statement

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED For the year 2025 Unit: RMB Yuan

Item	Note	For the year 2025	For the year 2024
I. Operating revenue	V(XXXVII)	2,905,052,655.48	3,276,220,087.81
Less: Operating costs	V(XXXVII)	3,150,557,865.77	3,371,444,090.65
Taxes and surcharges	V(XXXVIII)	22,643,190.58	24,590,067.21
Selling expenses	V(XXXIX)	7,042,772.68	7,654,256.38
Administrative expenses	V(XL)	106,939,910.11	76,860,725.44
Research and development expenses	V(XLI)	96,860,776.42	120,809,395.32
Finance costs	V(XLII)	153,520,817.53	136,401,879.22
Including: Interest expenses		161,154,012.39	155,339,443.71
Interest income		9,528,562.21	20,737,808.67
Add: Other income	V(XLIII)	111,927,770.67	135,933,050.81
Investment income			
(loss is represented by "-")	V(XLIV)	9,969,262.88	7,306,285.59
Including: Gains from investment in associates and joint ventures			
Income from derecognition of financial asset at the amortized cost			
Gains from net exposure hedges (loss is represented by "-")			
Gains from changes in fair value (loss is represented by "-")	V(XLV)		67,825.70
Credit impairment losses			
(loss is represented by "-")	V(XLVI)	-9,450,411.76	2,260,085.63
Impairment losses on assets			
(loss is represented by "-")	V(XLVII)	-49,164,265.03	-89,666,199.20
Gains from disposal of assets			
(loss is represented by "-")	V(XLVIII)	3,828,587.52	2,667,399.89
II. Operating profit (loss is represented by "-")		-565,401,733.33	-402,971,877.99
Add: Non-operating income	V(XLIX)	5,768,189.07	44,601,157.21
Less: Non-operating expenses	V(L)	426,500.35	56,710.54
III. Total profit (total loss is represented by "-")		-560,060,044.61	-358,427,431.32
Less: Income tax expenses	V(LI)	280,003.45	17,526,383.29

Consolidated Income Statement (Continued)

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED For the year 2025 Unit: RMB Yuan

Item	Note	For the year 2025	For the year 2024
IV. Net profit (net loss is represented by "-")		-560,340,048.06	-375,953,814.61
(I) Classified by continuity of operations:			
1. Net profit from continuing operations (net loss is represented by "-")		-560,340,048.06	-375,953,814.61
2. Net profit from discontinued operations (net loss is represented by "-")			
(II) Classified by ownership of equity:			
1. Net profit attributable to the shareholders of the parent company (net loss is represented by "-")		-560,340,048.06	-375,953,814.61
2. Minority interests (net loss is represented by "-")			
V. Other comprehensive income, net of tax		-74,434,573.63	53,158,750.90
(I) Other comprehensive income (net of tax) attributable to the owners of the parent company		-74,434,573.63	53,158,750.90
1. Other comprehensive income that cannot be reclassified to profit or loss		-74,434,573.63	53,158,750.90
(1) Re-measurement of changes in defined benefit plan			
(2) Other comprehensive income that cannot be reclassified to profit or loss under equity method			
(3) Changes in fair value of other equity instrument investments		-74,434,573.63	53,158,750.90
(4) Changes in fair value of enterprise's own credit risk			

Consolidated Income Statement (Continued)

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED For the year 2025 Unit: RMB Yuan

Item	Note	For the year 2025	For the year 2024
2. Other comprehensive income that will be reclassified to profit or loss			
(1) Other comprehensive income that may be reclassified to profit or loss under equity method			
(2) Changes in fair value of other debt investments			
(3) The amount of financial assets reclassified into other comprehensive income			
(4) Other debt investment credit impairment provision			
(5) Cash flow hedging reserve			
(6) Exchange differences from translation of foreign currency financial statements			
(7) Others			
(II) Other comprehensive income (net of tax) attributable to minority shareholders			
VI. Total comprehensive income		-634,774,621.69	-322,795,063.71
(I) Total comprehensive income attributable to the owners of the parent company		-634,774,621.69	-322,795,063.71
(II) Total comprehensive income attributable to minority shareholders			
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		-3.1779	-2.1322
(II) Diluted earnings per share (RMB/share)		-3.1779	-2.1322

Legal representative:
Gao Feng'an

Person in charge of accounting:
Li Yunpu

Head of accounting department:
Zhang Shaozhan

Parent Income Statement

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED For the year 2025 Unit: RMB Yuan

Item	Note	For the year 2025	For the year 2024
I. Operating revenue	XVI(IV)	3,720,033,789.47	4,470,796,625.56
Less: Operating costs	XVI(IV)	3,667,574,921.22	4,456,975,412.94
Taxes and surcharges		4,502,662.95	5,010,030.05
Selling expenses		4,670,057.31	4,638,921.31
Administrative expenses		25,676,528.11	21,402,376.63
Research and development expenses		715,301.74	
Finance costs		50,219,578.18	47,711,431.06
Including: Interest expenses		60,995,803.94	65,504,186.69
Interest income		11,754,027.94	19,227,704.18
Add: Other income		155,445.15	358,953.20
Investment income (loss is represented by "-")	XVI(V)	28,910,720.66	76,330,570.93
Including: Gains from investment in associates and joint ventures			
Income from derecognition of financial asset at the amortized cost			
Gains from net exposure hedges (loss is represented by "-")			
Gains from changes in fair value (loss is represented by "-")			67,825.70
Credit impairment losses (loss is represented by "-")		-9,243,085.96	-443,147.61
Impairment losses on assets (loss is represented by "-")			
Gains from disposal of assets (loss is represented by "-")			2,667,399.89
II. Operating profit (loss is represented by "-")		-13,502,180.19	14,040,055.68
Add: Non-operating income		9,125.05	43,148,928.40
Less: Non-operating expenses		8,688.15	56,710.54
III. Total profit (total loss is represented by "-")		-13,501,743.29	57,132,273.54
Less: Income tax expenses			1,889.92

Parent Income Statement (Continued)

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED For the year 2025 Unit: RMB Yuan

Item	Note	For the year 2025	For the year 2024
IV. Net profit (net loss is represented by "-")		-13,501,743.29	57,130,383.62
(I) Net profit from continuing operations (net loss is represented by "-")		-13,501,743.29	57,130,383.62
(II) Net profit from discontinued operations (net loss is represented by "-")			
V. Other comprehensive income, net of tax		-74,434,573.63	53,158,750.90
(I) Other comprehensive income that cannot be reclassified to profit or loss		-74,434,573.63	53,158,750.90
1. Re-measurement of changes in defined benefit plan			
2. Other comprehensive income that cannot be reclassified to profit or loss under equity method			
3. Changes in fair value of other equity instrument investments		-74,434,573.63	53,158,750.90
4. Changes in fair value of enterprise's own credit risk			
(II) Other comprehensive income that will be reclassified to profit or loss			
(1) Other comprehensive income that may be reclassified to profit or loss under equity method			
(2) Changes in fair value of other debt investments			
(3) The amount of financial assets reclassified into other comprehensive income			
(4) Other debt investment credit impairment provision			
(5) Cash flow hedging reserve			
(6) Exchange differences from translation of foreign currency financial statements			
(7) Others			
VI. Total comprehensive income		-87,936,316.92	110,289,134.52
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

Legal representative:
Gao Feng'an

Person in charge of accounting:
Li Yunpu

Head of accounting department:
Zhang Shaozhuan

Consolidated Statement of Cash Flows

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED For the year 2025 Unit: RMB Yuan

Item	Note	For the year 2025	For the year 2024
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		1,891,707,514.34	2,455,900,368.57
Receipts of tax refunds		77,645,161.83	51,997,302.13
Cash received relating to other operating activities	V(LII)	140,252,161.09	139,529,014.37
Sub-total of cash inflows from operating activities		2,109,604,837.26	2,647,426,685.07
Cash paid for purchasing goods and receiving services		1,801,076,068.94	2,770,192,718.06
Cash paid to and for employees		260,717,569.40	256,010,318.16
Cash paid for taxes and surcharges		39,543,489.65	63,515,430.33
Cash paid relating to other operating activities	V(LII)	66,618,425.80	70,958,896.63
Sub-total of cash outflows from operating activities		2,167,955,553.79	3,160,677,363.18
Net cash flows from operating activities		-58,350,716.53	-513,250,678.11
II. Cash flows from investing activities:			
Cash received from disposal of investments		150,000,000.00	366,951.63
Cash received from returns on investments		11,281,597.06	10,020,816.56
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		5,780,000.00	2,421,000.00
Net cash received from disposal of subsidiaries and other business entities			
Cash received from other investing activities	V(LII)		275,000.00
Sub-total of cash inflows from investing activities		167,061,597.06	13,083,768.19
		199,561,584.76	487,316,176.20
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		150,000,000.00	
Cash paid for investment			
Net cash paid for acquisition of subsidiaries and other business entities			457,667.90
Cash paid relating to other investing activities	V(LII)		
Sub-total of cash outflows from investing activities		349,561,584.76	487,773,844.10
Net cash flows from investing activities		-182,499,987.70	-474,690,075.91

Consolidated Statement of Cash Flows (Continued)

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED For the year 2025 Unit: RMB Yuan

Item	Note	For the year 2025	For the year 2024
III. Cash flows from financing activities:			
Cash received from absorbing investments			
Including: Cash received by subsidiaries from minority shareholders' investment			
Cash received from borrowings		4,334,722,219.02	3,828,313,297.07
Cash received relating to other financing activities			
Sub-total of cash inflows from financing activities		4,334,722,219.02	3,828,313,297.07
Cash paid for repayment of borrowings		4,006,414,409.18	3,168,794,726.75
Cash paid for distribution of dividends and profits or for interest expenses		148,622,390.28	151,851,150.54
Including: Dividends or profits paid to minority shareholders by subsidiaries			
Cash paid relating to other financing activities	V(LIII)	42,204,307.20	97,993,849.71
Sub-total of cash outflows from financing activities		4,197,241,106.66	3,418,639,727.00
Net cash flows from financing activities		137,481,112.36	409,673,570.07
IV. Effect of changes in exchange rate on cash and cash equivalents		-19,435.71	6,057.37
V. Net increase in cash and cash equivalents		-103,389,027.58	-578,261,126.58
Add: Cash and cash equivalents at the beginning of the period		372,373,245.52	950,634,372.10
VI. Cash and cash equivalents at the end of the period		268,984,217.94	372,373,245.52

Legal representative:
Gao Feng'an

Person in charge of accounting:
Li Yunpu

Head of accounting department:
Zhang Shaozhuan

Parent Statement of Cash Flows

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED For the year 2025 Unit: RMB Yuan

Item	Note	For the year 2025	For the year 2024
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		3,271,062,831.50	6,006,950,958.69
Receipts of tax refunds			
Cash received relating to other operating activities		2,241,911,750.59	440,090,412.86
Sub-total of cash inflows from operating activities		5,512,974,582.09	6,447,041,371.55
Cash paid for purchasing goods and receiving services		3,934,809,084.68	5,920,008,638.11
Cash paid to and for employees		20,253,518.01	21,494,042.32
Cash paid for taxes and surcharges		10,067,094.28	7,058,306.90
Cash paid relating to other operating activities		1,764,826,559.62	306,641,018.39
Sub-total of cash outflows from operating activities		5,729,956,256.59	6,255,202,005.72
Net cash flows from operating activities		-216,981,674.50	191,839,365.83
II. Cash flows from investing activities:			
Cash received from disposal of investments		150,000,000.00	366,951.63
Cash received from returns on investments		11,281,597.06	100,020,816.56
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			2,421,000.00
Net cash received from disposal of subsidiaries and other business entities			
Cash received from other investing activities			
Sub-total of cash inflows from investing activities		161,281,597.06	102,808,768.19
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets			10,875.00
Cash paid for investment		150,000,000.00	690,000,000.00
Net cash paid for acquisition of subsidiaries and other business entities			
Cash paid relating to other investing activities			17,000,000.00
Sub-total of cash outflows from investing activities		150,000,000.00	707,010,875.00
Net cash flows from investing activities		11,281,597.06	-604,202,106.81

Parent Statement of Cash Flows (Continued)

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED For the year 2025 Unit: RMB Yuan

Item	Note	For the year 2025	For the year 2024
III. Cash flows from financing activities:			
Cash received from absorbing investments			
Cash received from borrowings		1,884,367,111.42	1,345,000,000.00
Cash received relating to other financing activities			
Sub-total of cash inflows from financing activities		1,884,367,111.42	1,345,000,000.00
Cash paid for repayment of borrowings		1,650,000,000.00	1,243,000,000.00
Cash paid for distribution of dividends and profits or for interest expenses		61,044,585.69	65,522,693.69
Cash paid relating to other financing activities		889,839.60	6,679,382.11
Sub-total of cash outflows from financing activities		1,711,934,425.29	1,315,202,075.80
Net cash flows from financing activities		172,432,686.13	29,797,924.20
IV. Effect of changes in exchange rate on cash and cash equivalents		-19,435.71	6,057.37
V. Net increase in cash and cash equivalents		-33,286,827.02	-382,558,759.41
Add: Cash and cash equivalents at the beginning of the period		206,537,537.53	589,096,296.94
VI. Cash and cash equivalents at the end of the period		173,250,710.51	206,537,537.53

Legal representative:
Gao Feng'an

Person in charge of accounting:
Li Yunpu

Head of accounting department:
Zhang Shaozhuan

Consolidated Statement of Changes in Shareholders' Equity

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED For the year 2025 Unit: RMB Yuan

Item	For the year 2025											Total shareholder's equity	
	Equity attributable to the shareholders of the parent company										Minority interests		
	Share capital	Other equity instruments	Preference shares	Bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve			Undistributed profit
I. Closing balance of the previous year	176,322,070.00					4,281,160,374.64		-80,308,435.53		22,477,267.06	-2,923,171,081.15	1,476,480,195.02	1,476,480,195.02
Add: Changes in accounting policies													
Correction for error in previous period													
Others													
II. Opening balance for the year	176,322,070.00					4,281,160,374.64		-80,308,435.53		22,477,267.06	-2,923,171,081.15	1,476,480,195.02	1,476,480,195.02
III. Movements in the period (decrease is represented by "-")								-74,434,573.63			-560,340,048.06	-634,774,621.69	-634,774,621.69
(I) Total comprehensive income								-74,434,573.63			-560,340,048.06	-634,774,621.69	-634,774,621.69
(II) Capital contribution and reduction from shareholders													
1. Ordinary shares contribution from shareholders													
2. Capital contribution from shareholders of other equity instruments													
3. Amount of share-based payment included in shareholders' equity													
4. Others													
(III) Profit distribution													
1. Appropriations of surplus reserve													
2. Distribution to shareholders													
3. Others													
(IV) Transfer of shareholders' equity													
1. Transfer to share capital from capital reserve													
2. Transfer to share capital from surplus reserve													
3. Surplus reserves for making up losses													
4. Changes in defined benefit plans transferred to retained earnings													
5. Other comprehensive income transferred to retained earnings													
6. Others													
(V) Special reserve													
1. Appropriations in the period													
2. Utilization in the period													
(VI) Others													
IV. Closing balance for the period	176,322,070.00					4,281,160,374.64		-154,743,009.16		22,477,267.06	-3,483,511,129.21	841,705,573.33	841,705,573.33

Legal representative:
Gao Feng'an

Person in charge of accounting:
Li Yunpu

Head of accounting department:
Zhang Shaozhan

Consolidated Statement of Changes in Shareholders' Equity (Continued)

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED For the year 2025 Unit: RMB Yuan

Item	For the year of 2024											Total shareholder's equity	
	Equity attributable to the shareholders of the parent company										Minority interests		
	Share capital	Other equity instruments	Preference shares	Bonds	Others	Capital reserve	Treasury shares	Less: Other comprehensive income	Special reserve	Surplus reserve			Undistributed profit
I. Closing balance of the previous year	176,322,070.00					4,281,160,374.64		-133,467,186.43		22,477,267.06	-2,547,217,266.54	1,799,275,258.73	1,799,275,258.73
Add: Changes in accounting policies													
Correction for error in previous period													
Others													
II. Opening balance for the year	176,322,070.00					4,281,160,374.64		-133,467,186.43		22,477,267.06	-2,547,217,266.54	1,799,275,258.73	1,799,275,258.73
III. Movements in the period (decrease is represented by "-")													
(I) Total comprehensive income								53,158,750.90			-375,953,814.61	-322,795,063.71	-322,795,063.71
(II) Capital contribution and reduction from shareholders													
1. Ordinary shares contribution from shareholders													
2. Capital contribution from owners of other equity instruments													
3. Amount of share-based payment included in shareholders' equity													
4. Others													
(III) Profit distribution													
1. Appropriations of surplus reserve													
2. Distribution to shareholders													
3. Others													
(IV) Transfer of owners' equity													
1. Transfer to share capital from capital reserve													
2. Transfer to share capital from surplus reserve													
3. Surplus reserves for making up losses													
4. Changes in defined benefit plans transferred to retained earnings													
5. Other comprehensive income transferred to retained earnings													
6. Others													
(V) Special reserve													
1. Appropriations in the period													
2. Utilization in the period													
(VI) Others													
IV. Closing balance for the period	176,322,070.00					4,281,160,374.64		-80,308,435.53		22,477,267.06	-2,923,171,081.15	1,476,480,195.02	1,476,480,195.02

Legal representative:
Gao Feng'an

Person in charge of accounting:
Li Yunpu

Head of accounting department:
Zhang Shaozhuan

Parent Statement of Changes in Shareholders' Equity

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED For the year 2025 Unit: RMB Yuan

Item	For the year 2025									Total shareholder's equity	
	Share capital	Other equity instruments Perpetual shares	Preference bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve		Undistributed profit
I. Closing balance of the previous year	176,322,070.00				4,267,762,218.92		-80,308,435.53		22,477,267.06	-2,871,638,780.69	1,514,614,339.76
Add: Changes in accounting policies											
Correction for error in previous period											
Others											
II. Opening balance for the year	176,322,070.00				4,267,762,218.92		-80,308,435.53		22,477,267.06	-2,871,638,780.69	1,514,614,339.76
III. Movements in the period (decrease is represented by "-")							-74,434,573.63			-13,501,743.29	-87,936,316.92
(I) Total comprehensive income							-74,434,573.63			-13,501,743.29	-87,936,316.92
(II) Capital contribution and reduction from shareholders											
1. Ordinary shares contribution from shareholders											
2. Capital contribution from shareholders of other equity instruments											
3. Amount of share-based payment included in shareholders' equity											
4. Others											
(III) Profit distribution											
1. Appropriations of surplus reserve											
2. Distribution to shareholders											
3. Others											
(IV) Transfer of shareholders' equity											
1. Transfer to share capital from capital reserve											
2. Transfer to share capital from surplus reserve											
3. Surplus reserves for making up losses											
4. Changes in defined benefit plans transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(V) Special reserve											
1. Appropriations in the period											
2. Utilization in the period											
(VI) Others											
IV. Closing balance for the period	176,322,070.00				4,267,762,218.92		-154,743,009.16		22,477,267.06	-2,885,140,523.98	1,426,678,022.84

Legal representative:
Gao Feng'an

Person in charge of accounting:
Li Yunpu

Head of accounting department:
Zhang Shaozhuan

Parent Statement of Changes in Shareholders' Equity (Continued)

Preparation Unit: IRICO GROUP NEW ENERGY COMPANY LIMITED For the year 2025 Unit: RMB Yuan

Item	For the year 2024									Total shareholder's equity	
	Share capital	Other equity instruments Preference			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve		Undistributed profit
I. Closing balance of the previous year	176,322,070.00				4,267,762,218.92		-133,467,186.43		22,477,267.06	-2,928,769,164.31	1,404,325,205.24
Add: Changes in accounting policies											
Correction for error in previous period											
Others											
II. Opening balance for the year	176,322,070.00				4,267,762,218.92		-133,467,186.43		22,477,267.06	-2,928,769,164.31	1,404,325,205.24
III. Movements in the period (decrease is represented by "-")							53,158,750.90			57,130,383.62	110,289,134.52
(I) Total comprehensive income							53,158,750.90			57,130,383.62	110,289,134.52
(II) Capital contribution and reduction from shareholders											
1. Ordinary shares contribution from shareholders											
2. Capital contribution from owners of other equity instruments											
3. Amount of share-based payment included in shareholders' equity											
4. Others											
(III) Profit distribution											
1. Appropriations of surplus reserve											
2. Distribution to shareholders											
3. Others											
(IV) Transfer of owners' equity											
1. Transfer to share capital from capital reserve											
2. Transfer to share capital from surplus reserve											
3. Surplus reserves for making up losses											
4. Changes in defined benefit plans transferred to retained earnings											
5. Other comprehensive income transferred to retained earnings											
6. Others											
(V) Special reserve											
1. Appropriations in the period											
2. Utilization in the period											
(VI) Others											
IV. Closing balance for the period	176,322,070.00				4,267,762,218.92		-80,308,435.53		22,477,267.06	-2,871,638,780.69	1,514,614,339.76

Legal representative:
Gao Feng'an

Person in charge of accounting:
Li Yunpu

Head of accounting department:
Zhang Shaozhan

Notes to the Financial Statements for 2025

(All amounts in RMB Yuan unless otherwise stated)

I. COMPANY PROFILE

- (i) Place of business registration and address of headquarters

IRICO Group New Energy Company Limited* (the "Company"), the former IRICO Group Electronics Company Limited, was established upon approval as a joint stock company (listed) and obtained the business license from the Administration for Industry and Commerce on 10 September 2004.

After the initial issue of overseas-listed foreign shares, the Company's registered capital was RMB1,941,174,000, with the total number of shares being 1,941,174,000 shares, of which 1,455,880,000 shares were domestic shares, accounting for 75% thereof, and 485,294,000 shares were foreign shares, accounting for 25%. As decided by the extraordinary general meeting of the Company on 28 January 2010, with the capitalization of the capital reserve by 1 share for every 10 shares, the Company's registered capital was changed to RMB2,135,291,400, and the total number of shares was changed to 2,135,291,400 shares, of which 1,601,468,000 shares were domestic shares, accounting for 75%, and 533,823,400 shares were foreign shares, accounting for 25%. In accordance with the general mandate granted to the Board by the 2009 annual general meeting, the Company completed the placing of 97,058,000 shares of H shares, with the registered capital being changed to RMB2,232,349,400, and the total number of shares being changed to 2,232,349,400 shares, of which 1,601,468,000 shares were domestic shares, accounting for 71.74%, and 630,881,400 shares were foreign shares, accounting for 28.26%.

In accordance with the approval at the extraordinary general meeting and the H share class meeting on 23 January 2019 and 20 January 2020, the Company completed the placing of 1,294,092,000 shares, with the registered capital being changed to RMB3,526,441,400, and the total number of shares being changed to 3,526,441,400 shares, of which 1,601,468,000 shares were domestic shares, accounting for 45.41%, and 1,924,973,400 shares were foreign shares, accounting for 54.59%.

On 28 August 2020, the Company issued 1,294,092,000 H shares on a non-public offering basis at an issue price of HK\$1.12 per share, raising HK\$1,449,383,040.00 (equivalent to RMB1,288,356,584.26).

As at 31 December 2020, the total share capital of the Company was 3,526,441,400 shares and the registered capital was RMB3,526,441,400.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

I. COMPANY PROFILE (Continued)

- (I) Place of business registration, form of organization and address of headquarters (Continued)

On 30 March 2021, in accordance with the approval obtained at the extraordinary general meeting, domestic share class meeting and the H share class meeting on 28 December 2020, the Company completed the capital reduction on the basis that every twenty (20) existing shares with a par value of RMB1 each be consolidated to one (1) share with a par value of RMB1 each, and the registered capital of the Company was changed to RMB176,322,070 and the total number of shares was changed to 176,322,070 shares, of which, 80,073,400 shares were domestic shares, accounting for 45.41%, and 96,248,670 were foreign shares, accounting for 54.59%.

As at 31 December 2025, the total share capital of the Company was 176,322,070 shares and the registered capital was RMB176,322,070.

The unified social credit code of the Company was 916100007663066019. The place of registration was the courtyard at C6, No. 3, Xinghuo Avenue, Hi-Tech Industrial Development Zone, Xianyang, Shaanxi Province; its legal representative was Gao Feng'an.

- (II) Principal activities actually engaged in of the Company

General items: manufacturing of glass; manufacturing of non-metallic mineral products; sales of non-metallic minerals and products; research and experimental development of engineering and technology; mineral washing and processing; mineral concentration; intelligent control system integration; import and export of goods; import and export agents; technology import and export (except for items subject to approvals required by the laws, business activities shall be conducted independently with the business license and in accordance with the laws). Licensed items: mining of mineral resources (non-coal mines); power generation, transmission and supply (distribution) business (for items subject to approval as required by the laws, approvals by the relevant departments should be obtained before carrying out business activities and the specific items of business shall be subject to the approval results).

- (III) Approved authors of financial reports and approved reporting dates of financial reports

The financial statements have been presented after approval by the Board of the Company on 26 March 2026.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(I) Basis of preparation

The financial statements of the Company have been prepared on a going concern basis in respect of actual transactions and matters in accordance with the Accounting Standards for Business Enterprises-Basic Standards and its relevant specific accounting standards and other relevant requirements (together referred to as the "Accounting Standards for Business Enterprises") promulgated by the Ministry of Finance of the PRC, and based on the accounting policies and accounting estimates set out below.

(II) Going concern

In 2025, the Company recorded net profit attributable to the shareholders of the parent company of RMB-560.3400 million and net cash flows from operating activities of the Company of RMB-58.3507 million. As at 31 December 2025, the Company had current liabilities of RMB4,888.5060 million, current assets of RMB2,848.6888 million, and net current liabilities of RMB2,039.8172 million. In this regard, the Company will take the following measures to ensure the safety of its funds and improve its business results:

The Company will continue to strengthen lean production management, guided by the "Three Comprehensives, Six Innovations Loss Reduction and Profit Improvement Project" and the "8898 Quality Improvement Project", and accelerate the development of high-tech, high-quality and high-value-added products to further enhance the Company's market competitiveness.

1. Expand and consolidate domestic and international markets. Through differentiated competition strategies, leverage the advantages of ultra-high transmittance products, expand the dimensions of cooperation with core customers, explore diversified cooperation needs of customers, and accelerate the expansion of major customers and market penetration. While consolidating the domestic photovoltaic market position, actively expand overseas markets to establish a domestic and international dual-wheel driven market strategy.
2. Strengthen lean production management and deepen cost reduction and efficiency improvement. Fully promote the construction of high-standard production lines to enhance line efficiency, improve operational capacity and reduce production costs.
3. Increase R&D and innovation efforts. Continue to deepen the R&D and innovation of new materials, new technologies and new products, accelerate the iterative upgrading of new products, empower product upgrading and market competitiveness with technological innovation, and provide strong impetus for the Company's high-quality development.

In preparing the financial statements, the management of the Company had conducted a detailed and thorough review of the Company's going-concern ability with reference to the current operational and financial situation of the Company, put forward above improvement measures and obtained a financial support commitment from China Electronics Financial Co., Ltd.*, as well as a large amount of unutilised credit facilities from the banks still in existence.

The management of the Company has prepared consolidated cash flow projections covering a period of 12 months from 1 January 2026 and is of the opinion that the Company will be able to obtain sufficient sources of working capital and financing to ensure that the Company will be able to settle its debts as they fall due in the next 12 months and to continue as a going concern without any major downsizing of its existing operations.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (Continued)

(II) Going concern (Continued)

In view of the foregoing, the Board has no intention to wind up or close the Company and it is confident that the Company will not be forced to enter winding-up or dissolution proceedings in the next accounting period. Therefore, the Company believes that the financial statements for the Reporting Period shall still be prepared on a going concern basis in respect of actual transactions and matters in accordance with the Accounting Standards for Business Enterprises and relevant requirements promulgated by the Ministry of Finance, and based on the accounting policies and estimates set out in Note "III. Significant Accounting Policies and Accounting Estimates".

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(I) Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company are in compliance with the requirements of the Accounting Standards for Business Enterprises, reflecting the Company's financial position as at 31 December 2025, and operating results, cash flows for the year 2025 and other relevant information on a true and complete basis.

(II) Accounting period

The Company's accounting year is the calendar year, namely from 1 January to 31 December each year.

(III) Operating cycle

The normal operating cycle of the Company is 12 months in a year, and the operating cycle is determined as the classification criterion of the liquidity of assets and liabilities.

(IV) Functional currency

The functional currency of the Company is Renminbi (RMB).

(V) Criteria for Determining Materiality and Basis for Selection

1. *Materiality of Financial Statement Items*

The Company determines the materiality of financial statement items based on the principle of whether it would influence the economic decisions of users of the financial statements, considering both qualitative and quantitative factors. Quantitative materiality for financial statement items is measured based on a certain percentage of the relevant item to total assets, total liabilities, total equity, operating revenue, net profit, etc. Qualitative materiality for financial statement items is determined based on factors that have a significant impact on financial position and operating results, such as whether the item arises from ordinary operating activities, whether it leads to a change from profit to loss, and whether it affects regulatory indicators.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(V) Criteria for Determining Materiality and Basis for Selection (Continued)

2. *Materiality of Sub-items in Notes to Financial Statements*

The Company determines the materiality of sub-items in notes to financial statements based on the materiality of the financial statement item, and then further considers a certain percentage of the sub-item to the total item amount, combined with the absolute amount, while also considering the nature of the specific sub-item. Certain items may not be material to the financial statements as a whole, but may be material to the notes and therefore require separate disclosure. The relevant materiality criteria for notes to financial statement items are:

Item	Materiality Criteria
Significant recovery of allowance for bad debts of receivables	Individual amount recovered or reversed exceeding 10% of total assets for the relevant category of receivables.
Significant construction in progress	Individual project with budget exceeding RMB100 million.
Significant trade payables and other payables	Individual trade payable/other payable aged over 1 year accounting for more than 10% of total trade payables/other payables.

(VI) Basis of accounting and valuation principles

The accounting of the Company is measured on an accrual accounting basis. Except for financial assets/liabilities held for trading, derivative financial instruments, other debt investments, other investments in equity instruments and cash-settled share-based payments, which are measured at fair value, the Group's accounting for these assets and liabilities is based on the historical cost principle. Should an asset be impaired, a corresponding provision for impairment is made in accordance with relevant regulations.

(VII) Accounting treatment of business combinations under common control and not under common control

Business combinations under common control: The assets and liabilities acquired by acquirer through business combination shall be measured at the carrying value of the assets, liabilities (including goodwill arising from the acquisition of the acquiree by ultimate controlling party) of the acquiree in the consolidated financial statements of the ultimate controlling party at the date of combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or total nominal value of the issued shares) is adjusted to capital premium in capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

- (VII) Accounting treatment of business combinations under common control and not under common control (Continued)

Business combinations not under common control: The cost of combination is the assets paid, the liabilities incurred or committed and fair value of the equity securities issued by the acquirer for acquisition of control over the acquiree on the date of acquisition. Where the cost of combination is higher than the fair value of the identifiable net assets acquired from the acquiree in business combination, such difference shall be recognised as goodwill; where the cost of combination is less than the fair value of the identifiable net assets acquired from the acquiree in business combination, such difference shall be charged to current profit or loss. Each of the identifiable assets, liabilities and contingent liabilities of the acquiree, which are acquired in the combination and meet the criteria for recognition, shall be measured at fair value on the date of acquisition.

The direct relevant expenses incurred for the business combinations are recognised as the profit or loss in the period when the costs are incurred; the transaction costs for the equity securities or debt securities issued for business combination shall be recognised as the initial recognition amount of equity securities or debt securities.

- (VIII) Criteria of control and preparation method of consolidated financial statements

1. *Criteria of control*

The scope of consolidation of the consolidated financial statements is determined on the basis of control, and the scope of consolidation comprises the Company and all of its subsidiaries. Control refers to the power of a company over the investee, the rights to enjoy variable returns from its involvement in relevant activities of the investee, and the ability to use its power over the investee to affect the amount of its returns.

2. *Consolidation procedures*

When preparing the consolidated financial statements, the Company considers the entire enterprise group as a single accounting entity and presents the overall financial position, operating results and cash flows of the enterprise group based on the consistent accounting policies. The impact of internal transactions between the Company and its subsidiaries, and among its subsidiaries, shall be offset. If internal transactions indicate impairment losses on relevant assets, such losses shall be recognised in full. Any inconsistent accounting policies and accounting period adopted by a subsidiary will be subject to necessary adjustments to align with those of the Company when preparing the consolidated financial statements.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(VIII) Criteria of control and preparation method of consolidated financial statements (Continued)

2. *Consolidation procedures (Continued)*

Owners' equity, net profit or loss of the current period and comprehensive income attributable to minority shareholders of the current period of subsidiaries are stated separately under owners' equity in the consolidated balance sheet, net profit in the consolidated income statement and total comprehensive income respectively. Loss of the current period assumed by minority shareholders of a subsidiary in excess of minority shareholders' share of owners' equity in that subsidiary at the beginning of the period is offset against minority interests.

(1) Addition of subsidiary or business

During the Reporting Period, if there is an addition of subsidiary or business due to business combination under common control, the operating results and cash flow of the subsidiary or business combination from the beginning of the period to the end of the Reporting Period will be included in the consolidated financial statements, and the amounts at the beginning of the period in the consolidated financial statements and relevant items in the comparative statements will also be adjusted as if the reporting entity after combination had been existing since the control of the ultimate controlling party started.

Where control over the investee under common control is obtained due to reasons such as increase in investments, for equity investment held before the control over the acquiree is obtained, profit or loss, other comprehensive income and other changes in net assets recognised from the later of the acquisition of the original equity interest and the date when the acquirer and the acquiree are placed under common control until the date of combination are offset against retained profit at the beginning of the period of the comparative financial statements or profit or loss of the period respectively.

During the Reporting Period, if there is an addition of subsidiary or business due to business combination not under common control, it shall be included, from the date of purchase, in the consolidated financial statements based on the fair value of each of the identifiable assets, liabilities and contingent liabilities determined on the date of purchase.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(VIII) Criteria of control and preparation method of consolidated financial statements (Continued)

2. Consolidation procedures (Continued)

(1) Addition of subsidiary or business (Continued)

Where control over the investee not under common control is obtained due to reasons such as increase in investments, for the equity interest of the acquiree held before the date of purchase, the Company remeasures the equity interest at its fair value as at the date of purchase, and any difference between the fair value and its book value will be accounted for as investment gains of the period. Other comprehensive income that will be reclassified into losses and profits and other changes in owners' equity under equity accounting with respect to the equity interest in the acquiree held before the date of purchase are transferred to investment gains of the period to which the date of purchase belongs.

(2) Disposal of subsidiary

① General treatment for disposal

When control over the investee is lost due to the disposal of part of the equity investment or other reasons, the Company re-measures the remaining equity investment after the disposal at fair value as at the date on which control is lost. The difference between the sum of the consideration received from equity disposal and the fair value of the remaining equity interest and the sum of the net assets of the subsidiary proportionate to the original shareholding accumulated from the date of purchase or combination and goodwill is included in investment gains of the period during which the control is lost. Other comprehensive income that will be reclassified into losses and profits and other changes in owners' equity under equity accounting with respect to the equity investment in the original subsidiary are transferred to investment gains of the period during which the control is lost.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(VIII) Criteria of control and preparation method of consolidated financial statements (Continued)

2. Consolidation procedures (Continued)

(2) Disposal of subsidiary (Continued)

② Stepwise disposal of subsidiary

In respect of stepwise disposal of equity investment in a subsidiary through multiple transactions until control is lost, if the terms, conditions and economic effects of the transactions of equity investment in the subsidiary satisfy one or more of the following conditions, the transactions are normally accounted for as a package of transactions:

- 1) these transactions are entered into simultaneously or after considering the effects of each other;
- 2) these transactions constitute a complete commercial result as a whole;
- 3) one transaction is conditional upon at least one of the other transactions;
- 4) one transaction is not economical on its own but is economical when considering together with other transactions.

Where the transactions constitute a package of transactions, the Company accounts for the transactions as a transaction of disposal of a subsidiary resulting in the loss of control; the difference between the amount received each time for disposal before control is lost and the net assets of such subsidiary corresponding to the disposal of investment is recognised as other comprehensive income in the consolidated financial statements, and upon loss of control, is transferred to profit or loss of the period during which control is lost.

Where the transactions do not constitute a package of transactions, before the loss of control, the transactions are accounted for based on partial disposal of equity investment in a subsidiary that does not involve loss of control; when control is lost, they are accounted for using the general method for disposal of subsidiaries.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(VIII) Criteria of control and preparation method of consolidated financial statements (Continued)

2. Consolidation procedures (Continued)

(3) Purchase of minority interests in subsidiary

For the difference between the long-term equity investment newly acquired due to the purchase of minority interests and the share of net assets of the subsidiary that the Company is entitled to calculated according to the new shareholding accumulated from the date of purchase or date of combination, share premium of the capital reserve in the consolidated balance sheet will be adjusted; where share premium of the capital reserve is insufficient for the write-down, retained profit will be adjusted.

(4) Partial disposal of equity investment in subsidiary without loss of control

For the difference between the consideration received from disposal and the net assets of the subsidiary that the Company is entitled to corresponding to the long-term equity investment disposed accumulated from the date of purchase or date of combination, share premium of the capital reserve in the consolidated balance sheet will be adjusted; where share premium of the capital reserve is insufficient for the write-down, retained profit will be adjusted.

(IX) Classification of joint arrangements and accounting treatment for joint operations

Joint arrangements can be classified into joint operations and joint ventures.

Joint operations represent the joint arrangement that a party to a joint arrangement has rights to the assets, and obligations for the liabilities, relating to such arrangement.

The Company recognises the following items in relation to its share of benefits in joint operations:

- (1) the assets held solely by the Company and those jointly held on a prorate basis;
- (2) the liabilities assumed solely by the Company and those jointly assumed on a pro-rata basis;
- (3) the income generated from the sale of the products of the joint operation attributable to the Company;

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(IX) Classification of joint arrangements and accounting treatment for joint operations (Continued)

4. the income generated by the joint operation from the sale of products on a pro-rata basis;
5. the expenses incurred solely by the Company and those incurred by the joint operation on a pro-rata basis.

Please refer to Note “III. (XV) Long-term equity investments” for details on the equity method adopted by the Company on investment in joint ventures.

(X) Recognition standard for cash and cash equivalents

Cash represents the Company's cash on hand and deposits that can be used readily for payments. Cash equivalents represent investments that satisfy four conditions, namely short-term, highly liquid, readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

(XI) Foreign currency transactions and translation of financial statements denominated in foreign currency

1. *Foreign currency transactions*

Foreign currency transactions shall be translated into RMB at the spot exchange rate on the day when the transactions occurred.

Balance sheet date foreign currency monetary items shall be translated using the spot exchange rate at the balance sheet date. The resulting exchange difference are recognised in profit or loss for the current period, except for those differences related to a specific-purpose borrowing denominated in foreign currency for acquisitions and construction of the qualified assets, which should be capitalised as cost of the borrowings.

2. *Translation of financial statements denominated in foreign currency*

The assets and liabilities in the balance sheets are translated at the spot exchange rates on the balance sheet date; except for “Undistributed profit” items, all items under owner's equity are translated at the spot exchange rates when incurred. The income and expense items in the income statement are translated at the spot exchange rates on the transaction dates.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XI) Foreign currency transactions and translation of financial statements denominated in foreign currency (Continued)

2. *Translation of financial statements denominated in foreign currency (Continued)*

On disposal of foreign operations, exchange differences in financial statements denominated in foreign currencies related to the foreign operation shall be transferred from owner's equity items to profit or loss to profit or loss from disposal for the current period.

(XII) Financial instruments

One of the financial assets, financial liabilities or equity instruments is recognised when the Company becomes a party to the contract of the financial instruments.

1. *Classification of financial instruments*

According to the business model of the Company for management of financial assets and the contractual cash flow characteristics of financial assets, financial assets are classified at the initial recognition as financial assets measured at amortised cost, or financial assets measured at fair value through other comprehensive income, or other financial assets that are measured at fair value through current profit or loss.

The Company shall classify financial assets that meet the following conditions and are not designated as financial assets at fair value through current profit or loss as financial assets measured at amortised cost:

- (1) the objective of the business model is to collect contractual cash flows;
- (2) the contractual cash flows are solely payment of the principal and the interest based on the outstanding principal amount.

The Company shall classify financial assets that meet the following conditions and are not designated as financial assets at fair value through current profit or loss as financial assets (debt instruments) measured at fair value through other comprehensive income:

- (1) the objective of the business model for managing such financial assets is both to collect contractual cash flows and to dispose of the financial assets;
- (2) the contractual cash flows are solely payment of the principal and the interest based on the outstanding principal amount.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XII) Financial Instruments (Continued)

1. *Classification of financial instruments (Continued)*

For an investment in equity instruments not held for trading purposes, the Company may irrevocably designate it as financial assets (equity instruments) measured at fair value through other comprehensive income at the initial recognition. This designation is made on an investment-by-investment basis and the relevant investment meets the definition of equity instrument from the perspective of the issuer.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through current profit or loss. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through current profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities, at initial recognition, are classified into financial liabilities at fair value through current profit or loss and financial liabilities measured at amortised cost.

When meeting any of the following criteria, the Company may, at initial recognition, designate a financial liability as measured at fair value through current profit or loss:

- (1) Such designation would eliminate or significantly reduce a measurement or recognition inconsistency.
- (2) A group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel.
- (3) The financial liabilities include embedded derivatives which can be split separately.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XII) Financial Instruments (Continued)

2. *Recognition basis and measurement method of financial instruments*

(1) Financial assets measured at amortised cost

Financial assets measured at amortised cost, including bills receivable and trade receivables, other receivables, long-term receivables, and debt investments, are initially measured at fair value plus relevant transaction costs. Trade receivables that do not contain significant financing components and trade receivables that the Company has decided not to consider for a financing component of no more than one year are initially measured at the contractual transaction price.

Interest calculated under the effective interest method during the period of holding is included in current profit or loss.

When recovering or disposing, the difference between the price obtained and the book value of the financial asset is included in current profit or loss.

(2) Financial assets (debt instruments) measured at fair value through other comprehensive income

Financial assets (debt instruments) measured at fair value through other comprehensive income, including financing receivables and other debt investments, are initially measured at fair value plus relevant transaction costs. These financial assets are subsequently measured at fair value, with changes in fair value are included in other comprehensive income except for interest, impairment losses or gains and exchange gains or losses calculated using the effective interest method.

On derecognition, the accumulated gain or loss previously recognised in other comprehensive income is transferred out from other comprehensive income and recognised in current profit or loss.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XII) Financial Instruments (Continued)

2. Recognition basis and measurement method of financial instruments (Continued)

- (3) Financial assets (equity instruments) measured at fair value through other comprehensive income
- Financial assets (equity instruments) measured by fair value through other comprehensive income, including other equity instruments, are initially measured at fair value plus relevant transaction costs, and subsequently measured at fair value through other comprehensive income. The dividends received are included in current profit or loss.

When derecognised, the accumulated gain or loss previously recognised in other comprehensive income is transferred from other comprehensive income to retained earnings.

- (4) Financial assets measured at fair value through current profit or loss
- Financial assets measured at fair value through current profit or loss, including held-for-trading financial assets, derivative financial assets and other non-current financial assets, are initially measured at fair value with relevant transaction costs included in current profit or loss, and subsequently measured at fair value through current profit or loss.

- (5) Financial liabilities measured at fair value through current profit or loss
- Financial liabilities measured at fair value through current profit or loss, including held-for-trading financial liabilities, derivative financial liabilities, etc., are initially measured at fair value with relevant transaction costs recognised in current profit or loss. Such financial liabilities are subsequently measured at fair value. Changes in fair value are recognised in current profit or loss.

On derecognition, the difference between the carrying amount and the consideration paid is recognised in current profit or loss.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XII) Financial Instruments (Continued)

2. *Recognition basis and measurement method of financial instruments (Continued)*

(6) Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost, including short term borrowings, bills payable, accounts payable, other payables, long-term borrowings, bonds payable and long-term payables, are initially measured at fair value plus relevant transaction costs.

Interest calculated under the effective interest method during the period of holding is included in current profit or loss.

On derecognition, the difference between the consideration paid and the carrying amount of the financial liability is recognised in current profit or loss.

3. *Derecognition of financial assets and recognition basis and measurement method for financial asset transfers*

The Company derecognizes a financial asset if it meets one of the following conditions:

- (1) The contractual rights to receive the cash flows from the financial asset expire;
- (2) The financial asset has been transferred, and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee;
- (3) The financial asset has been transferred, and the Company neither transferred nor retained substantially all rewards related to the ownership of the financial assets, but did not retain its control over the said financial assets.

If the Company revises or renegotiates the contract with the counterparty and the modification constitutes substantial modification, the original financial liability is derecognised and the new financial liability is recognised in accordance with the revised terms.

When transferring a financial asset, if the Company retains substantially all risks and rewards of ownership of the financial asset, the Company shall continue to recognize such financial asset.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XII) Financial Instruments (Continued)

3. *Derecognition of financial assets and recognition basis and measurement method for financial asset transfers (Continued)*

When judging whether the transfer of a financial asset meets the above criteria for derecognition, the substance-over-form principle shall be applied.

The Company differentiates the transfer of a financial asset as full transfer or partial transfer. If the full transfer of a financial asset meets the criteria for derecognition, then the difference between the following two included in current profit or loss:

- (1) The book value of the financial asset transferred;
- (2) The sum of the consideration received from the transfer and the total amount of the fair value changes that is directly charged or credited to owners' equity (if the financial asset transferred is a financial asset (debt instruments) at fair value through other comprehensive income).

When the partial transfer of a financial asset meets the criteria for derecognition, the entire book value of the financial asset transferred shall be allocated between the part derecognized and the part to be recognized based on their respective fair value, with the difference between the following two included in current profit or loss:

- (1) The book value of the part that is derecognized;
- (2) The sum of the consideration attributable to the part derecognized and the total amount of the fair value changes that is directly charged or credited to owners' equity and attributable to the part derecognized (if the asset transferred is a financial asset (debt instruments) at fair value through other comprehensive income).

If the transfer of a financial asset does not meet the criteria for derecognition, the financial asset shall continue to be recognized and the consideration received is recognized as a financial liability.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XII) Financial Instruments (Continued)

4. *Derecognition of financial liabilities*

If all or part of the current obligations of a financial liability have been discharged, the financial liability or part of it will be derecognized; if the Company signs an agreement with the creditor to replace the existing financial liability with new financial liability of substantially different contractual terms, the existing financial liability shall be derecognized while the new financial liability shall be recognized.

If substantial changes are made to the contractual terms (in whole or in part) of the existing financial liability, the existing financial liability (or part of it) shall be derecognized, and the financial liability after the modification of terms shall be recognized as a new financial liability.

When a financial liability is derecognized in whole or in part, the difference between the book value of the financial liability derecognized and the consideration paid (including the non-cash assets transferred out or the new financial liability assumed) shall be included in current profit or loss.

If the Company repurchases part of a financial liability, the book value of the entire financial liability is allocated between the part that continues to be recognized and the part that is derecognized on the repurchase date based on their respective relative fair value. The difference between the book value assigned to the part derecognized and the consideration paid (including the non-cash assets transferred out or the new financial liability assumed) shall be included in current profit or loss.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XII) Financial Instruments (Continued)

5. *Determination of fair value of financial assets and financial liabilities*

As for financial instruments with an active market, their fair values are determined by quoted prices in the active market. As for financial instruments without an active market, their fair values are determined by using valuation techniques. At the time of valuation, the Company adopts valuation techniques that are applicable in the current circumstances and sufficiently supported by available data and other information, and selects inputs that are consistent with the characteristics of the assets or liabilities considered by the market participants in the transactions of the relevant assets or liabilities, and prioritizes the use of relevant observable inputs. Unobservable inputs are used only if the relevant observable inputs are unavailable or not reasonably available.

6. *Test and accounting methods for impairment of financial instruments*

The Company performs impairment accounting on the basis of the expected credit losses for financial assets measured at amortized cost financial assets (debt instruments) measured at fair value through other comprehensive income and the financial guarantee contract, etc.

The probability-weighted amount of the difference in present value between the contractual cash flow of receivable from contracts and the cash flow expected to be received, weighted with the risk of default, will be measured by taking into account of reasonable and valid information on, among other things, past events, current status and the forecast of future economic conditions to recognize the expected credit losses.

For trade receivables and contract assets formed by the transactions regulated in the Accounting Standards for Business Enterprises No. 14 – – Revenue whether contain significant financing components or otherwise, the Company always measures the loss provision at the amount equal to the lifetime expected credit loss.

For lease receivables formed by the transactions regulated in the Accounting Standards for Business Enterprises No. 21 – – Lease, the Company chooses to always measure the loss provisions at the amount equal to the lifetime expected credit loss.

For other financial instruments, the Company assesses at each balance sheet date the changes in the credit risk of the relevant financial instrument since initial recognition.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XII) Financial Instruments (Continued)

6. *Test and accounting methods for impairment of financial instruments (Continued)*

In determining changes in the risk of default during the expected lifetime of a financial instrument and assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition. Usually, if it is overdue for more than 30 days, the Company will consider that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence to prove that the credit risk on a financial instrument has not increased significantly since initial recognition.

For a financial instrument with lower credit risk on the balance sheet date, the Company assumes that its credit risk on a financial instrument has not increased significantly since the initial recognition.

If the credit risk of a financial instrument has increased significantly since the initial recognition, the Company measures the loss provisions according to the amount of the lifetime expected credit loss of the financial instrument; if the credit risk on a financial instrument has not increased significantly since the initial recognition, the Company measures the loss provisions at an amount equal to the next 12-month expected credit losses of the financial instrument. The resulting increase in or reversal of loss provision shall be included in current profit or loss as impairment losses or gains. For financial assets (debt instruments) measured at fair value through other comprehensive income, the loss provision is recognized in other comprehensive income, and the impairment losses or gains shall be included in current profit or loss, without reducing the book value of the financial asset as stated in the balance sheet.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XIII) Impairment of receivables

1. *Bills receivable and trade receivables*

For bills receivable and trade receivables, whether it contains significant financing components, the Company always measures its loss provisions in accordance with the amount of the lifetime expected credit losses, and the increase or reversal of the loss provision resulting therefrom is included in the current profit and loss as an impairment loss or gain.

(1) Trade receivables that are individual determination and subject to provision for bad debt

If there is objective evidence that it has been impaired, and the bills receivable, trade receivables, other receivables, and receivables financing are applicable to individual evaluation, the impairment test is conducted separately, and expected credit losses will be recognized and provision for individual impairment will be made.

(2) Trade receivables for which provision for bad debts by portfolio

For the trade receivables and bill receivables without objective evidence of impairment or the expected credit loss cannot be estimated for an individual provision at a reasonable cost, the Company grouped trade receivables and bill receivables in accordance with credit risk characteristics and calculated the expected credit loss based on portfolio. The reasons of choosing the portfolio are as follows:

The reason for choosing recognition portfolio of bills receivables and the method for calculating expected credit losses are as follows:

Items	The reason of choosing the portfolio	Method for calculating expected credit losses
Bills receivables	Bank acceptance bills	Regarding the credit rating of acceptance bank in bank acceptance bills as credit risk characteristics
	Commercial acceptance bills	Regarding the credit rating of acceptance house in commercial acceptance bills as credit risk characteristics

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XIII) Impairment of receivables (Continued)

1. *Bills receivable and trade receivables (Continued)*

(2) Trade receivables for which provision for bad debts by portfolio (Continued)

The reason for choosing recognition portfolio of bills receivables and the method for calculating expected credit losses are as follows:

Items	The reason of choosing the portfolio	Method for calculating expected credit losses
	The portfolio of aging	Taking into account historical credit loss experience, current situation and forecasts of economic conditions, compiling the comparison table between aging and lifetime expected credit loss rates of trade receivables, to calculate the expected credit loss
Trade receivables	Low credit risk portfolio	Taking into account historical credit loss experience, current situation and forecasts of economic conditions, based on default risk exposure and lifetime expected credit loss rates, the expected credit loss rates of such portfolio amounted to zero

The Company combines the receivables with similar credit risk characteristics and the Company estimates the proportion of accruing bad debt provision by aging portfolio based on all reasonable and evidenced information, including forward-looking information:

Aging	Provision ratios for trade receivables (%)
0-6 months (inclusive)	0
7-12 months (inclusive)	1
1-2 years (inclusive)	30
2-3 years (inclusive)	50
over 3 years	100

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XIII) Impairment of receivables (Continued)

1. *Bills receivable and trade receivables (Continued)*

(2) Trade receivables for which provision for bad debts by portfolio (Continued)

In the groups, other methods are used to provide for bad debts:

When there is objective evidence that the Company will not be able to recover an account receivable in full with the original terms, the impairment test is carried out separately and the provision for bad debt is made based on the difference between the present value of the future cash flow of the account receivable and its book value.

2. *Receivables financing*

If both bills receivable and trade receivables meet the following conditions: 1) contractual cash flows is for the payment of interest based on the principal and the principal outstanding; 2) the objective of the Company's business model for managing the bills receivable and trade receivables is both to collect contractual cash flows and to dispose of the bills receivable and trade receivables.

The Company classifies it as financial assets at fair value through other comprehensive income. It was presented as a receivables financing on the statement. For the relevant specific accounting treatment, please see the Note "III. (XII) Financial instruments";

When it is unable to assess the information of the expected credit loss at a reasonable cost in accordance with an individual item, the Company shall divide the bill receivables and trade receivables into certain combination based on the credit risk characteristic and estimate the expected credit loss on the basis of the combination. If any objective evidence indicates that a bill receivable and an trade receivables has been credit impaired, the Company shall make individual provision for bad debts and recognize the expected credit losses for the bills receivable and trade receivables. For the bills receivable and trade receivables divided into portfolios, it is treated in accordance with the measurement method of impairment loss of the aforementioned trade receivables.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XIII) Impairment of receivables (Continued)

2. *Receivables financing (Continued)*

The reason for recognition portfolio of receivables financing and the method for calculating expected credit losses are as follows:

Items	Items that be reclassified	The reason of choosing the portfolio	Method for calculating expected credit losses
Receivables financing	Bills receivable	Bank acceptance bills	Regarding the credit rating of acceptance bank in bank acceptance bills as credit risk characteristics
		Commercial acceptance bills	Regarding the credit rating of acceptance house in commercial acceptance bills as the credit risk characteristics
	Trade receivables	The portfolio of aging	Taking into account historical credit loss experience, current situation and forecasts of economic conditions, compiling the comparison table between aging and lifetime expected credit loss rates of trade receivables, to calculate the expected credit loss
		Low credit risk portfolio	Taking into account historical credit loss experience, current situation and forecasts of economic conditions, based on default risk exposure and lifetime expected credit loss rates, the expected credit loss rates of such portfolio amounted to zero

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XIII) Impairment of receivables (Continued)

3. *Other receivables*

The reason for recognition portfolio of other receivables and the method for calculating expected credit losses are as follows:

Item	The reason of choosing the portfolio	Method for calculating expected credit losses
Other receivables	The portfolio of aging	Taking into account historical credit loss experience, current situation and forecasts of economic conditions, compiling the comparison table between aging and lifetime expected credit loss rates of other receivables, to calculate the expected credit loss
	Deposits, margins and reserves	Taking into account historical credit loss experience, current situation and forecasts of economic conditions, based on default risk exposure and lifetime expected credit loss rates, the expected credit loss rates of such portfolio amounted to zero
	Low credit risk portfolio	Taking into account historical credit loss experience, current situation and forecasts of economic conditions, based on default risk exposure and lifetime expected credit loss rates, the expected credit loss rates of such portfolio amounted to zero

4. *Others*

For other receivables such as interests receivable and long-term receivables, the provision for bad debts is made based on the difference between the present value of future cash flows and its book value.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XIV) Inventories

1. *Classification and costs for inventories*

Inventories are classified into raw materials, work in progress, revolving materials, low-value consumables, packaging materials, goods in stock (finished goods), and goods in transit.

Inventories are measured initially at cost. Cost of inventories comprises costs of purchase, costs of processing and other expenditures incurred in bringing the inventories to their present location and condition.

2. *Measurement for inventories delivered*

Upon delivery, inventories are measured with the weighted average method.

3. *Inventory system*

The Company adopts perpetual inventory system.

4. *Amortization of low-value consumables and packaging materials*

(1) Low-value consumables are amortized using one-off write-off method;

(2) Packaging materials are amortized using one-off write-off method.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XIV) Inventories (Continued)

5. *Recognition criteria and provision methods for the provision for impairment of inventories*

On the balance sheet date, inventories are stated at the lower of cost and net realisable value. When the cost of inventories was higher than their net realisable value, the provision decline in value of inventories shall be made. Net realisable value is the estimated selling price of the inventories in the ordinary course of business deducting the estimated costs upon completion, the estimated selling expenses and the related taxes.

Net realizable value of held-for-sale commodity stocks, such as finished goods, goods-in-stock, and held-for-sale raw materials, during the normal course of production and operation, shall be determined by their estimated selling prices less related selling costs and taxes; the net realizable value of inventory materials, which need to be processed, during the normal course of production and operation, shall be determined by the amount after deducting the estimated cost of completion, estimated selling costs and relevant taxes from the estimated selling price of finished goods; the net realizable value of inventories held for execution of sales contracts or labor contracts shall be calculated on the ground of the contracted price. If an enterprise holds more inventories than the quantity stipulated in the sales contract, the net realizable value of the excess part shall be calculated on the ground of general selling price.

After the provision for decline in value of inventories has been made, if the factors resulting in the previously recorded inventory impairment disappeared, as a result of which the net realisable value of the inventories became higher than its book value, it would be written back to the extent of the original provision for decline in value of inventories made, and such written-back amounts would be charged to the current profit or loss.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XV) Contract assets

1. *Recognition and standard of contract assets*

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The consideration that the Company has the right (and this right depends on factors other than passage of time) to receive for goods transferred to customers is listed as a contract assets. Contract assets and contract liabilities under the same contract shall be shown on a net basis. The right of the Company to charge the customer unconditionally (only depending on the passage of time) is listed as a receivable individually.

2. *Method of determination of expected credit loss of contract assets and accounting treatment methods*

For the method of determination of expected credit loss of contract assets and accounting treatment methods, please refer to Note “III. (XII) 6. Test and accounting methods for impairment of financial instruments”.

(XVI) Assets classified as held-for-sale

1. *Assets classified as held-for-sale*

A non-current asset or disposal group is classified as asset held-for-sale when the book amount of the asset is recovered principally through a disposal (including an exchange of non-monetary assets with commercial substance) rather than through continuing use.

The Company recognises non-current assets or disposal groups which meet the following conditions as assets held for sale:

- (1) The assets or disposal groups must be available for sale immediately under the current conditions according to the usual terms of the sale of such assets or disposal groups in similar transactions;
- (2) The assets are highly likely to be sold, namely, the Company has been offered a resolution with one disposition of the assets and obtained a firm purchase commitment and the disposition will be completed within 1 year. If regulation needs to be approved by the relevant authorities or supervision department of the Company, such approval has been obtained.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XVI) Assets classified as held-for-sale (Continued)

1. *Assets classified as held-for-sale (Continued)*

When non-current asset (excluding financial asset, deferred income tax asset, investment properties using the fair value model for subsequent measurement and asset formed by employee benefits) or disposal group which are classified as held-for-sale, if the book value of the non-current asset or disposal group is higher than the net amount after deducting the disposal cost from its fair value, the book value is reduced to the net amount after deducting the disposal cost from its fair value. The reduced amount is recognised as an asset impairment loss and accounted for as profit and loss for the current period, with provision for impairment loss on held-for-sale assets.

(XVII) Long-term equity investments

1. *Joint control or significant influence criterion*

Joint control is the contractually agreed sharing of control of an arrangement, and exists only when decisions about the relevant activities of the arrangement require the unanimous consent of the parties sharing control. If the Company together with the other joint venture parties can jointly control over the investee and are entitled to the right of the net assets of the investee, the investee is a joint venture of the Company.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of investee, but not the power to control, or jointly control, the formulation of such policies with other parties. Where the Company can exercise significant influence over an investee, the investee is an associate of the Company.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XVII) Long-term equity investments (Continued)

2. *Determination of initial investment cost*

(1) Long-term equity investments acquired through business combination

For a long-term equity investment in subsidiaries resulting from a business combination involving entities under common control, the initial investment cost of long-term equity investments are its share of the book value of the owner' equity of the acquiree in the financial statements of the ultimate controlling party on the date of combinations. The difference between initial investment cost of long-term equity investment and the carrying value of paid consideration is to adjust share premium in the capital reserve. If the balance of share premium in the capital reserve is insufficient, any excess is adjusted to retained earnings. In connection with imposing control over the investee under joint control as a result of additional investment and other reasons, the difference between initial investment cost of long-term equity investment according to the aforesaid principle, and the sum of the carrying value of long-term equity investment before combination and the carrying value of newly paid consideration for additional shares acquired on the date of combination is to adjust share premium. If the balance of share premium is insufficient, any excess is adjusted to retained earnings.

For a long-term equity investment in subsidiaries resulting from a business combination involving entities not under common control, the cost of the combination determined on the date of acquisition shall be taken as the initial investment cost of the long-term equity investment. In connection with imposing control over the investee not under joint control as a result of additional investment and other reasons, the initial investment cost shall be the sum of the carrying value of the equity investment originally held and the newly increased investment cost.

(2) Long-term equity investments acquired by other means other than business combination

The initial investment cost of a long-term equity investment obtained by the Company by cash payment shall be the purchase cost which is actually paid.

The initial investment cost of a long-term equity investment obtained by the Company by means of issuance of equity securities shall be the fair value of the equity securities issued.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XVII) Long-term equity investments (Continued)

3. *Subsequent measurement and recognition of profit or loss*

(1) Long-term equity investment accounted for by cost method

Long-term equity investment in a subsidiary is accounted for using cost method unless the investment meets the conditions of held-for-sale. Except for the actual consideration paid for the acquisition of investment or the declared but not yet distributed cash dividends or profits which are included in the consideration, investment gains are recognized as the Company's share of the cash dividends or profits declared by the investee.

(2) Long-term equity investment accounted for by equity method

Long-term equity investments in joint ventures and associates are accounted for using equity method. Where the initial investment cost of a long-term equity investment exceeds the Company's share of the fair value of the investee's identifiable net assets at the acquisition date, no adjustment shall be made to the initial investment cost; where the initial investment cost is less than the Company's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference shall be charged to current profit or loss and the cost for long-term equity investment shall be adjusted.

The Company recognizes the investment income and other comprehensive income according to its shares of net profit or loss and other comprehensive income realized by the investee respectively, and simultaneously makes adjustment to the carrying value of long-term equity investments. The carrying value of long-term equity investment shall be reduced by attributable share of the profit or cash dividends for distribution declared by the investee. In relation to other changes of owner's equity (the "Other Changes of Owner's Equity"), except for net profits and losses, other comprehensive income and profit distribution of the investee, the carrying value of long-term equity investment shall be adjusted and included in owner's equity.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XVII) Long-term equity investments (Continued)

3. *Subsequent measurement and recognition of profit or loss (Continued)*

(2) Long-term equity investment accounted for by equity method (Continued)

The Company's share of net profit or loss, other comprehensive income and Other Changes of Owner's Equity of an investee is determined based on the fair value of identifiable net assets of the investee at the time when the investment is obtained, and according to the accounting policies and accounting period of the Company, recognition shall be made to the net profit of the investee after the adjustment and to other comprehensive income, etc.

The unrealized profit or loss which is attributable to the Company calculated based on its attributable percentage resulting from transactions between the Company and its associates or joint venture shall be eliminated in, based on which investment income shall be recognized, other than those assets consumed or disposed of which constitute business. Any unrealized losses resulting from transactions with the investee, which are attributable to impairment of assets, shall be fully recognized.

The Company discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Company's net investment in the associate or the joint venture is reduced to zero, except to the extent that the Company has an obligation to assume additional losses. Where net profits are subsequently made by the associate or joint venture, the Company resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XVII) Long-term equity investments (Continued)

3. *Subsequent measurement and recognition of profit or loss (Continued)*

(3) Disposal of long-term equity investments

For disposal of a long-term equity investment, the difference between the book value and the consideration actually received shall be included in current profit or loss.

For the certain long-term equity investment treated under the equity method, where the remaining equity continues to be accounted for using the equity method, the other comprehensive income previously recognised under the equity method shall be transferred in proportion by using the same basis as the investee used for direct disposal of relevant assets or liabilities. Other Changes of Owner's Equity shall be transferred in proportion into current profit or loss.

When the Group loses the mutual control or material influence over the investee due to disposal of equity investment and other reasons, for other comprehensive income recognized in the original equity investment due to the equity method is adopted, it shall be treated using the same accounting basis as the investee used for direct disposal of relevant assets or liabilities when ceasing to use the equity method. Other Changes of Owner's Equity shall be transferred into the current profit or loss when ceasing to use the equity method.

When the Group loses the control over the investee due to partially disposal of equity investment and other reasons, the remaining equity interest after disposal shall be accounted for under equity method in preparation of separate financial statements provided that joint control or material influence over the investee can be imposed and shall be adjusted as if such remaining equity interest had been accounted for under the equity method since being obtained. The other comprehensive income previously recognised before obtaining the control over the investee shall be transferred in proportion by using the same basis as the investee used for direct disposal of relevant assets or liabilities. Other Changes of Owner's Equity recognized as a result of the adoption of the equity method shall be transferred to the current profit or loss on pro rata basis. Where the remaining equity interest after disposal cannot exercise joint control or exert material influence over the investee, it shall be recognised as financial asset, and the difference between fair value and the carrying value on the date of losing control shall be included in current profit or loss. All the other comprehensive income and Other Changes of Owner's Equity recognised before obtaining the control over the investee shall be transferred.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XVII) Long-term equity investments (Continued)

3. *Subsequent measurement and recognition of profit or loss (Continued)*

(3) Disposal of long-term equity investments (Continued)

For disposal of the equity investment in a subsidiary in stages by multiple transactions resulting in the loss of control, where the Company accounts for a package deals, accounting treatment shall be conducted for all transactions as the equity investment for disposal of a subsidiary and the transaction in the loss of control. In the individual financial statements, the differences between the consideration disposed and the corresponding carrying value of long-term equity investment of the disposed equity in each transaction prior to the loss of control shall be recognised in other comprehensive income first and transferred to the current profit or loss when the parent eventually loses control over the subsidiary. Where the Company doesn't account for a package deals, accounting treatment shall be conducted for each transaction individually.

(XVIII) Investment property

Investment property is held to earn rentals or for capital appreciation or both which include leased land use rights; land use rights held for sale after appreciation; leased buildings (including buildings after self-completion of construction or development for the purpose of leasing and buildings that is being constructed or developed for the purpose of leasing in future).

Subsequent expenses related to the investment property shall be included in the cost of the investment property, if the related economic benefits are likely to flow into the enterprise, and the cost can be reliably measured. Otherwise, they should be included in the current profit and loss upon occurrence.

The Company's existing investment property is measured at cost. Investment property measured at cost – buildings held for leasing shall adopt the same depreciation policy for fixed assets of the Company, land use rights held for leasing shall adopt the same amortisation policy for the intangible assets.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XIX) Fixed assets

1. *Recognition and initial measurement of fixed assets*

Fixed assets are tangible assets that are held for use in production or supply of goods or services, for rental to others, or for administrative purposes, and have a useful life of more than one accounting year. Fixed asset is recognised when it meets the following conditions:

- (1) It is probable that the economic benefits associated with the fixed asset will flow to the enterprise;
- (2) Its cost can be reliably measured.

Fixed assets are initially measured at cost (and taking into account the effect of estimated costs of disposal).

For subsequent expenses related to fixed assets, if the related economic benefits are likely to flow into the enterprise and its cost could be reliably measured, such expenses are included in the cost of the fixed asset; and the carrying amount of the replaced part will be derecognised; all other subsequent expenses are included in current profit or loss upon occurrence.

2. *Methods for depreciation*

Fixed assets of the Company are depreciated by categories using the straight-line method, and the annual depreciation rates are determined by categories based upon their estimated useful lives and their estimated residual values. For fixed assets that have made provision for the impairment, the amount of depreciation of it is determined by carrying value after deducting the provision for the impairment based on useful life during the future period. Where different components of a fixed asset have different useful lives or generate economic benefits for the enterprise in different ways, different depreciation rates or depreciation methods shall apply, and each component is depreciated separately.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XIX) Fixed assets (Continued)

2. Methods for depreciation (Continued)

The depreciation methods, useful life of depreciation, residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation methods	Useful life (Years)	Residual value rate (%)	Annual depreciation rate (%)
Plant and buildings	Straight-line method	30	3	3.23
Machinery and equipment	Straight-line method	6–18	3	5.39–16.17
Transportation tools	Straight-line method	5	3	19.40
Office equipment and others	Straight-line method	5	3	19.40

3. Disposal of fixed assets

A fixed asset is derecognised on disposal or when no future economic benefits are expected from using or disposal. The amount of proceeds on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in current profit or loss.

(XX) Construction in progress

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation and other costs necessary to bring the construction in progress ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation begins from the following month.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXI) Borrowing costs

1. *Criteria for recognition of capitalised borrowing costs*

The Company's borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised into the cost of relevant assets. Other borrowing costs are recognised as expenses in profit or loss in the period in which they are incurred.

Qualifying assets include fixed assets, investment property and inventories that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

2. *Capitalisation period of borrowing costs*

The capitalisation period refers to the period beginning from the commencement of capitalising borrowing costs to the date of ceasing capitalisation, excluding the period of suspension of capitalisation.

Capitalisation of borrowing costs begins when the following three conditions are fully satisfied:

- (1) expenditures for the assets (including cash paid, non-currency assets transferred or interest-bearing liabilities assumed for the acquisition, construction or production of qualifying assets) have been incurred;
- (2) borrowing costs have been incurred;
- (3) acquisition, construction or production that are necessary to enable the asset to get ready for their intended use or sale have commenced.

Capitalisation of borrowing costs shall cease when the qualifying asset under acquisition, construction or production gets ready for intended use or sale.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXI) Borrowing costs (Continued)

3. *Suspension of capitalisation period*

Capitalisation of borrowing costs shall be suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally, and the interruption is for a continuous period of more than 3 months; if the interruption is a necessary step for making the qualifying asset under acquisition, construction or production ready for the intended use or sale, the capitalisation of the borrowing costs shall continue. The borrowing costs incurred during such period of interruption shall be recognised in current profit or loss. When the acquisition, construction or production of the asset resumes, the capitalisation of borrowing costs continues.

4. *Capitalisation rate and calculation of capitalisation amount of borrowing costs*

As to specific borrowings for the acquisition, construction or production of qualifying assets, borrowing costs from the specific borrowings actually incurred in the current period minus the interest income earned on the unused borrowing loans as a deposit in the bank or the investment income earned from temporary investment will be used to determine the amount of borrowing costs for capitalisation.

As to general borrowings for the acquisition, construction or production of qualifying assets, the to-be-capitalised amount of borrowing costs on the general borrowing shall be calculated and determined by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the specific borrowings and the capitalisation rate of the said general borrowings. The capitalisation rate shall be calculated and determined according to the weighted average actual interest rate of general borrowings.

During the capitalisation period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalised as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are included in the current profits and losses.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXII) Intangible assets

1. *Measurement of intangible assets*

(1) Intangible assets are initially measured at cost upon acquisition by the Company;

The costs of an externally purchased intangible asset include the purchase price, relevant tax expenses, and other expenditures directly attributable to bringing the asset ready for its intended use.

(2) Subsequent measurement

The Company shall analyse and judge the useful life of intangible assets upon acquisition.

As for intangible assets with a finite useful life, they are amortised over the term in which economic benefits are brought to the firm; if the term in which economic benefits are brought to the firm by an intangible asset cannot be estimated, the intangible asset shall be taken as an intangible asset with indefinite useful life, and shall not be amortised.

2. *Estimate of useful life for the intangible assets with finite useful life*

Items	Estimated useful lives (Year)	Amortisation method
Land use rights	50	straight-line method
Software	2-5	straight-line method

The useful life for and the amortization method of intangible assets with finite useful life are reviewed at the end of each period.

After review, the useful life for and the amortization method of intangible assets at the end of this period remain the same as the previous period.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXII) Intangible assets (Continued)

3. *Basis for determining intangible assets with indefinite useful life and procedure for reviewing its useful life*

The useful life of intangible assets with indefinite useful life is reviewed at the end of each period.

4. *Scope of the expenditure for research and development*

Expenditures incurred in the process of research and development of the Company include relevant compensation of employees engaged in research and development activities, materials consumed, and relevant depreciation and amortization expenses.

5. *Specific criteria for the division of research phase and development phase*

The expenses for internal research and development projects of the Company are divided into expenses in the research phase and expenses in the development phase.

Research phase: a phase in which innovative and scheduled investigations and research activities are conducted to obtain and understand new scientific or technological knowledge.

Development phase: a phase in which the research outcomes or other knowledge are applied for a plan or a design prior to the commercial production or use in order to produce new or substantially improved materials, devices, products, etc.

6. *Specific conditions for capitalisation of expenditure incurred in development phase*

Expenditures incurred in the research stage are recognised in profit or loss for the period. Expenditures incurred in the development stage are recognised as intangible assets only when all of the following conditions are satisfied, and the expenditures in the development stage that does not meet all of the following conditions are recognised in profit or loss for the period:

- (1) the technical feasibility of completing the intangible asset so that it will be available for use or for sale;
- (2) the intention to complete the intangible asset for use or for sale;

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXII) Intangible assets (Continued)

6. *Specific conditions for capitalisation of expenditure incurred in development phase (Continued)*

- (3) the ways in which the intangible asset generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market, or if the intangible asset is for internal use, there is evidence that proves its usefulness;
- (4) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset;
- (5) the expenditures attributable to the development phase of the intangible asset could be reliably measured.

If the expenditures cannot be distinguished between the research phase and development phase, all of which should be included in the current profit or loss.

(XXIII) Impairment of long-term assets

Long-term assets such as long-term equity investments, fixed assets, construction in progress, right-to-use assets, intangible assets with a finite useful life and oil and gas assets are tested for impairment if there is any indication that such assets may be impaired at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment and an impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill formed by business merger, intangible assets with indefinite useful lives and intangible assets that are not yet ready for use are tested for impairment at least at the end of each year regardless of whether there is any sign of impairment.

When the Company performs impairment test on goodwill, the Company shall, as of the purchase day, allocate on a reasonable basis the carrying value of the goodwill formed by merger of enterprises to the relevant asset groups, or if there is a difficulty in allocation, to allocate it to the set of asset groups. The related asset groups or the set of asset groups refers to these ones that can benefit from the synergies of a business combination.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXIII) Impairment of long-term assets (Continued)

For the purpose of impairment test on the relevant asset groups or the set of asset groups containing goodwill, if any evidence shows that the impairment of asset groups or set of asset groups related to goodwill is possible, an impairment test will be made firstly on the asset groups or set of asset groups not containing goodwill, thus calculating the recoverable amount and comparing it with the relevant carrying value so as to recognise the corresponding impairment loss. Then, the Company will conduct impairment tests on the asset groups or set of asset groups that includes goodwill and compare its carrying value against its recoverable amount. If the recoverable amount is lower than its carrying value, the amount of impairment loss is first offset against the carrying value of the goodwill allocated to the asset groups or set of asset groups, then, based on the proportion of the carrying value of other assets in the asset groups or set of asset groups other than goodwill, offset against the carrying value of other assets proportionally.

Once the above asset impairment loss is recognised, it will not be reversed in subsequent accounting periods.

(XXIV) Long-term deferred expenses

Long-term deferred expenses are expenses which have occurred but will benefit over 1 year and shall be amortized over the current period and subsequent periods.

The long-term deferred expenses of the Company are measured at actual cost and amortized equally over the expected benefit periods. For long-term deferred expenses that will not benefit the future accounting periods, upon determination their amortized value shall be included in current profit or loss.

(XXV) Contract liabilities

The Company has presented contract assets or contract liabilities in the balance sheet based on the connection between the fulfilment of performance obligations and payment of the customers. A contract liability represents the obligation to transfer goods or services to a customer for which the Company has received a consideration or an amount of consideration that is due from the customer. A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXVI) Employee benefits

1. *Accounting treatment methods of short-term benefits*

In the accounting period in which employees provide service for the Company, short-term benefits actually incurred are recognised as liabilities and charged to current profit or loss or cost of relevant assets.

With regard to the social insurance and housing provident funds contributed and labour union expenses and employee education expenses paid as required by regulations, the Company should calculate and recognise the corresponding employee benefits payables according to the appropriation basis and proportion as stipulated by relevant requirements in the accounting period in which employees provide service.

At the time of actual occurrence, the Company's employee benefits are recorded in the current profit or loss or costs of relevant assets as incurred. The non-currency welfare expenses are measured at fair value.

2. *Accounting treatment methods of post-employment benefits*

(1) Defined contribution scheme

The Company will pay basic pension insurance and unemployment insurance for the staff in accordance with the relevant provisions of the local government. During the accounting period when the staff provides service, the Company will calculate the amount payable in accordance with the local stipulated basis and proportions which will be recognised as liabilities, and the liabilities would be charged into current profit or loss or costs of relevant assets.

(2) Defined benefit scheme

In respect of the defined benefit scheme, the Company shall attribute the welfare obligations under the defined benefit scheme in accordance with the formula determined by projected unit credit method to the service period of relevant employee, and record the obligation in profit loss for the current period or costs of related assets.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXVI) Employee benefits (Continued)

2. *Accounting treatment methods of post-employment benefits (Continued)*

(2) Defined benefit scheme (Continued)

The deficit or surplus generated from the present value of obligations of the defined benefit scheme minus the fair value of the assets of defined benefit scheme is recognised as net liabilities or net assets of a defined benefit scheme. When the defined benefit scheme has surplus, the Company will measure the net assets of the defined benefit scheme at the lower of the surplus of defined benefit scheme and the upper limit of the assets.

All defined benefit plans obligations, including the expected duty of payment within 12 months after the end of annual Reporting Period during which the staff provided service, are discounted based on the market yield of government bonds matching the term and currency of defined benefit plan obligations or corporate bonds of high quality in the active market on the balance sheet date.

The service cost incurred by the defined benefit scheme and the net interest of the net liabilities and net assets of the defined benefit scheme would be charged to current profit or loss or relevant costs of assets. The changes arising from the remeasurement of the net liabilities or net assets of the defined benefit scheme would be included in other comprehensive income and are not reversed to profit or loss in a subsequent accounting period; when the previously defined benefits plan is terminated, such amount previously included in other comprehensive income shall be transferred to undistributed profit.

When the defined benefit scheme is settled, the gain or loss is recognised based on the difference between the present value of obligations under the defined benefit scheme and the settlement price at the balance sheet date.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXVI) Employee benefits (Continued)

3. *Accounting treatment of termination benefits*

When the Company provides employees with termination benefits, the staff remuneration liabilities arising from termination benefits are recognised and recorded in current profit or loss whichever of the following is earlier: when the Company cannot unilaterally revoke such termination benefits provided due to dissolution of labour relationship plan or layoff proposal; when the Company recognises such cost or expenses associated with the restructuring involving the payment of termination benefits.

(XXVII) Estimated liabilities

The Company shall recognise an obligation related to contingency as the estimated liability when all of the following conditions are satisfied:

- (1) such obligation is the present obligation of the Company;
- (2) the performance of such obligation is likely to lead to an outflow of economic benefits of the Company;
- (3) the amount of such obligation can be reliably measured.

The estimated liabilities are initially measured at the best estimate of expenditure required for the performance of relevant present obligations.

The Company shall take into consideration the risks, uncertainties, time value of money and other factors relating to the contingencies in determining the best estimate. If the time value of money is significant, the best estimates shall be determined after discount of relevant future cash outflows.

If there is a successive range of the required expenditure, and the likelihood of occurrence of various results within the range is the same, the best estimate is determined by the intermediate value of the range. In other cases, the best estimate are handled as follows:

- (1) Where the contingency is related to individual item, the best estimate should be determined as the most likely amount.
- (2) Where the contingency is related to a number of items, the best estimate should be calculated and determined according to the various possible results and the relevant probabilities.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXVII) Estimated liabilities (Continued)

3. When all or part of the expenditures necessary for the settlement of an estimated liability is expected to be compensated by a third party, the compensation should be separately recognised as an asset only when it is virtually certain that the compensation will be received. The amount recognised for the compensation should not exceed the carrying amount of estimated liabilities.

The Company reviews the carrying amount of estimated liabilities on balance sheet date. If there is clear evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the best estimate.

(XXVIII) Share-based payments

The Company's share-based payment represents transactions in which the Company receives services from employee or other parties by granting equity instruments or incurring liabilities that are based on the price of the equity instruments. The Company's share-based payments included equity-settled share-based payments and cash-settled share-based payments.

1. *Equity-settled share-based payment and equity instrument*

As to an equity-settled share-based payment in return for services of employees, calculation will be based on the fair value of the equity instrument granted to the employees. If the share-based payment transactions granted to employees vest immediately, the fair value of the share-based payment transactions granted is, on grant date, recognised as relevant cost or expenses with a corresponding increase in capital reserve. If the share-based payment transactions granted to employees do not vest until the completion of services for a vesting period, or until the achievement of specified performance conditions, the Company, on each balance sheet date during the vesting period, according to the best estimate of the number of feasible equity instruments, includes the services received in the current period into the relevant cost or expense on the basis of the fair value on the date of grant, with a corresponding increase in capital reserve.

If the terms of the equity-settled share-based payment are amended, the Company shall recognise the services received at least based on the situation before the amendment was made. In addition, any amendment resulting in the increase of the fair value of the equity instrument granted or changes that are beneficial to the staff on the amendment date, will be recognised as an increase in the service received.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXVIII) Share-based payments (Continued)

1. *Equity-settled share-based payment and equity instrument (Continued)*

During the vesting period, where the granted equity instrument is cancelled, the Company shall accelerate the exercise of rights thereunder, recognizing the outstanding amount for the remainder of the vesting period in profit or loss, while recognizing capital reserve. However, if new equity instruments are vested and they are verified at the vesting date of new equity instrument as alternatives vested to the cancelled equity instruments, the treatment on the new equity instrument is in conformity with the modified treatment on disposal of equity instrument with the same terms and conditions.

2. *Cash-settled share-based payments and equity instrument*

A cash-settled share-based payment shall be measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by the Group. If the share-based payment transactions granted to employees vest immediately, the fair value of the liability undertaken by the Company shall, on the date of the grant, be included in the relevant costs or expenses, and the liabilities shall be increased accordingly. If the share-based payment transactions granted to employees do not vest until the completion of services for a vesting period, or until the specified performance conditions are met, at each balance sheet date during the vesting period, the services obtained in the current period shall, based on the best estimate of the information about the exercisable right, be included in the relevant costs or expenses and the corresponding liabilities at the fair value of the liability undertaken by the Company. For each of the balance sheet date and settlement date before the settlement of the relevant liabilities, fair value of the liabilities will be remeasured and the changes will be included in the profit or loss for the current period.

The Company modifies the terms and conditions in a cash-settled share-based payment agreement to make it an equity-settled share-based payment, which shall be measured at the fair value of the equity instrument granted on the date of modification (whether it occurs during or after the end of the vesting period), and the services acquired shall be included in capital surplus, while the liability recognized for the cash-settled share-based payment on the date of modification shall be derecognized, and the difference in between shall be included in profit or loss for the period. If the vesting period is extended or shortened as a result of the modification, the Company shall conduct accounting treatment in accordance the modified vesting period.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXIX) Other financial instruments such as preferred shares and perpetual bonds

Such financial instruments or a part thereof are, on initial recognition, classified into financial assets, financial liabilities or equity instruments on the basis of contractual terms for issuance and the economic substance reflected by such terms of the Company's preferred shares/perpetual bonds instead of only on the basis of the legal form.

For financial instruments such as perpetual bonds/preference shares issued by the Company, which meet one of the following conditions, such financial instrument as a whole or a component thereof is classified as a financial liability on initial recognition:

- (1) there are contractual obligations performed by the delivery of cash or other financial assets that the Company cannot unconditionally avoid;
- (2) there are contractual obligations that include the delivery of a variable number of own equity instruments for settlement;
- (3) there are derivatives that are settled with their own equity (such as conversion rights), and the derivatives are not settled with a fixed amount of their own equity instruments for a fixed amount of cash or other financial assets for settlement;
- (4) there are contractual clauses that indirectly form contractual obligations;
- (5) when the issuer liquidates, the perpetual bonds are in the same liquidation order as the ordinary bonds and other debts issued by the issuer.

For financial instruments such as perpetual bonds/preference shares that do not meet any of the above conditions, such financial instrument as a whole or a component thereof is classified as an equity instrument on initial recognition.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXX) Revenue

1. *Accounting policies adopted for revenue recognition and measurement*

The Company recognises revenue when the performance obligation in a contract is fulfilled, namely the customer obtains control of relevant goods or services. Control of a good or service refers to the ability to direct the use of the good or service, and obtain substantially all of the benefits from the goods or services.

If a contract contains two or more performance obligations, at the commencement of the contract, the Company allocates the transaction price into each individual performance obligation according to the relative proportion of each individual selling price of goods or services committed by individual performance obligation, and recognises the revenue according to the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and those expected to be refunded to the customer. The Company considers the terms of the contract and its customary business practices to determine the transaction price. When determining the transaction price, the Company considers the effects of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer. The Company determines the transaction price that includes variable considerations based on the amount not exceeding the revenue accumulatively recognised which is not likely to be significantly reversed when the relevant uncertainty disappears. Where there are significant financing elements in the contract, the Company recognises the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid in cash when (or as) the customer had obtained control over such goods or services. The difference between the transaction price and the amount of contract consideration is amortised using an effective interest method over the contract term.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXX) Revenue (Continued)

1. *Accounting policies adopted for revenue recognition and measurement (Continued)*

When one of the following conditions is satisfied, the Company is considered to have fulfilled an obligation within a certain period of time. Otherwise, the Company is considered to have fulfilled an obligation at a certain point in time:

- (1) At the same time when the Company fulfills the obligation, the customer immediately obtains and consumes the economic benefits brought about by the Company's performance.
- (2) The customers can control the goods under construction in the course of the Company's performance.
- (3) Goods produced in the course of the Company's performance are irreplaceable. In addition, during the entire contract period, the Company has the right to collect the payments for the cumulatively completed parts of performance.

Where performance of a single service contract takes place over a certain period of time, revenue should be recognised as performance takes place, except where the stage of performance cannot be determined. The Company considers the nature of the goods or services and adopts the output method or the input method to determine the fulfillment progress of the performance. When the fulfillment progress of the performance cannot be determined reasonably, but is expected to recover the costs incurred, the Company should recognise revenue only to the extent of the cost until a reliable measure of progress can be made.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXX) Revenue (Continued)

1. *Accounting policies adopted for revenue recognition and measurement (Continued)*

For a performance obligation satisfied at a point in time, the Company shall recognise revenue when the customer obtains control of relevant goods or services. In judging whether customers obtain control of promised goods or services, the Company considers the following indications:

- (1) the Company enjoys the right to collect cash on the goods or services, that is, the customer has the obligation to pay for the goods or services at the present time.
- (2) the Company has transferred the legal ownership of the commodity to the customer, that is, the customer has the legal ownership of the commodity.
- (3) the Company has transferred the goods in kind to the customers, that is, the customers have actually taken possession of the goods.
- (4) the Company has transferred the main risks and rewards in the ownership of the commodity to its customers, that is, the customers have acquired the main risks and rewards in the ownership of the commodity.
- (5) the customer has accepted the goods or services.

The Company assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Company is a principal or an agent. If the Company controls the specified good or service before that good or service is transferred to a customer, the Company is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Company is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled.

2. *Specific methods for revenue recognition*

The Company recognises revenue at the point in time when the performance obligation in a contract is fulfilled, namely when the customer obtains control over the relevant goods or services. (1) Revenue recognition for domestic sales: sales revenue is recognised after the Company ships and delivers the products to the delivery place designated by the customer and with customer's verification and signing of the relevant documents; (2) Revenue recognition for export sales: the revenue is recognised after the Company ships and registers customs declaration procedures for good departure based on the Company's contracts or orders and commercial trading practices.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXI) Contract costs

Contract costs comprise contract performance costs and contract acquisition costs.

The costs incurred by the Company for the performance of the contract which do not fall under the scope of the standards relating to inventories, fixed assets and intangible assets are recognised as an asset as contract performance costs when the following conditions are met:

- (1) This cost is directly related to a current or expected contract.
- (2) This cost increases the resources of the Company to fulfill its performance obligations in the future.
- (3) The cost is expected to be recovered.

If the incremental cost incurred by the Company in obtaining the contract can be expected to be recovered, the contract acquisition cost shall be recognised as an asset.

Assets related to the cost of the contract are amortised on the same basis as the revenue recognition of the goods or services related to the asset; however, if the amortisation period of the contract acquisition cost is less than one year, the Company will include it into the current profit or loss when it incurs.

For assets related to contract costs whose carrying amount is higher than the difference between the following two items, the Company will make provision for impairment for the excess and recognise it as asset impairment loss:

- (1) The remaining consideration expected to be obtained by the transfer of goods or services related to the asset;
- (2) The cost expected to be incurred for the transfer of the relevant goods or services.

If the above-mentioned excess is higher than the book value of such assets as a result of any subsequent change of impairment factors in the previous period, the provision for impairment of assets previously made shall be reversed and included in profit or loss for the period as incurred to the extent the book value of the reversed asset shall not exceed the book value of the asset on the date of the reverse assuming no provision for impairment is made.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXII) Government grants

1. *Types*

Government grants are monetary assets or non-monetary assets obtained by the Company from the government for free, and are divided into government grants related to assets and government grants related to income.

Government grants related to assets are those obtained by the Company for the purposes of acquisition, construction or other project that forms a long-term asset. Government grants related to income refer to the government grants other than those related to assets.

2. *Timing for recognition*

Government grants are recognised when the Company can comply with the conditions attached to them and when they can be received.

3. *Accounting treatment*

Asset-related government grants shall be used to offset the carrying amount of relevant asset or recognised as deferred income. The amount recognised as deferred income shall be recorded in current profit or loss by installments in a reasonable and systematic way over the useful life of the relevant assets (the government grants related to the Company's daily activities shall be included in other income; and the government grants unrelated to the Company's daily activities shall be included in non-operating income);

Government grants related to income that are used to compensate relevant costs or losses of the Company in subsequent periods are recognised as deferred income and recorded in current profit or loss when such costs and losses are recognised (government grants related to the Company's daily activities shall be included in other income; government grants unrelated to the Company's daily activities shall be included in non-operating income) or offset relevant costs or losses; and the government grants used to compensate relevant costs or losses that have been incurred by the Company are recorded directly in current profit or loss (government grants related to the Company's daily activities shall be included in other income; government grants unrelated to the Company's daily activities shall be included in non-operating income) or offset relevant costs or losses.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXII) Government grants (Continued)

3. *Accounting treatment (Continued)*

The interest subsidies for policy-related preferential loans obtained by the Company are divided into two types and subject to accounting treatment separately:

- (1) Where the interest subsidies are appropriated from the fiscal funds to the lending bank and then the bank provides loans to Company at a policy-based preferential interest rate, the Company will recognize the amount of borrowings received as the initial value and calculate the borrowing costs according to the principal amount and the policy-based preferential interest rate.
- (2) Where the interest subsidies are paid directly to the Company, the Company will use such interest subsidies to offset the corresponding borrowing costs.

(XXXIII) Deferred income tax assets and deferred income tax liabilities

Income tax comprises current and deferred income tax. Current tax and deferred tax are recognised in current profit or loss except to the extent that they relate to a business combination or items recognised directly in equity (including other comprehensive income).

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the temporary differences between the tax bases and the carrying amounts of assets and liabilities.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. For deductible losses and tax credits that can be reversed in the future years, deferred tax assets shall be recognised to the extent that it is probable that taxable profit will be available in the future to offset the deductible losses and tax credits.

Save for exceptions, deferred income tax liabilities shall be recognised for the taxable temporary difference.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXIII) Deferred income tax assets and deferred income tax liabilities (Continued)

The exceptions for not recognizing deferred income tax assets and liabilities include:

- (1) the initial recognition of the goodwill;
- (2) transactions or matters other than business combinations in which neither profit nor taxable income (or deductible loss) will be affected when transactions occur, and the initial recognition of assets and liabilities does not result in an equal amount of taxable temporary differences and deductible temporary differences.

Deferred tax liabilities are recognised for temporary differences arising from investments in subsidiaries, joint ventures and associates, except where the Company is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not be reversed in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, joint ventures and associates will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilised, the corresponding deferred tax assets are recognised.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the applicable tax rates during the period when the relevant assets are expected to be recovered or the relevant liabilities are expected to be settled in accordance with the provisions of the tax law.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available in the future against which the benefits of the deferred tax asset will be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

When the Group has a legally enforceable right to set-off and intends either to settle on a net basis or to acquire the income tax asset and settle the income tax liability simultaneously, current income tax assets and current income tax liabilities shall be presented as the net amount after offsetting.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXIII) Deferred income tax assets and deferred income tax liabilities (Continued)

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset if all of the following conditions are met:

- (1) When the taxable entity has the legal right to set off current income tax assets and current income tax liabilities on a net basis;
- (2) When the deferred income tax assets and deferred income tax liabilities are related to income tax to be paid by the same entity liable to pay tax to the same tax authority, or related to different entities liable to pay tax but the relevant entities intend to settle on a net basis or to acquire the income tax assets and settle the income tax liabilities simultaneously in the future period in which significant deferred income tax assets and liabilities would be reversed.

(XXXIV) Lease

A lease is a contract that a lessor conveys the right to use an asset to a lessee for a period of time in exchange for consideration. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of one or more identified asset(s) for a period of time in exchange for consideration.

For a contract that contains multiple separate lease, the Company separates and accounts for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and lessor separates the lease and non-lease components.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXIV) Lease (Continued)

1. *The Company as a lessee*

(1) Right-of-use assets

At the commencement date of lease term, the Company recognises right-of-use assets for leases (excluding short-term leases and leases of low-value assets). Right-of-use assets are measured initially at cost. Such cost comprises:

- ① the amount of the initial measurement of lease liability;
- ② lease payments made at or before the inception of the lease less any lease incentives already received (if there is a lease incentive);
- ③ initial direct costs incurred by the Company;
- ④ the costs of the Company expected to be incurred for dismantling and removing the leased asset, restoring the site on which the leased asset is located or restoring it to the condition as agreed in the terms of the lease, except those incurred for the production of inventories.

The Company accrues depreciation for the right-of-use assets by subsequently adopting straight line method. If there is reasonable certainty that the Company will obtain the ownership of a leased asset at the end of the lease term, the Company depreciates the leased asset in the remaining useful life of the asset; otherwise, the Company depreciates the leased asset in the lease term or in the remaining useful life of the asset (whichever is shorter).

The Company determines whether the right-of-use assets have been impaired in accordance with the principles described in Note "III. (XXIII) Impairment of long-term assets" and conducts accounting treatment for impairment loss identified.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXIV) Lease (Continued)

1. *The Company as a lessee (Continued)*

(2) Lease liabilities

At the commencement date of lease term, the Company recognises lease liabilities for leases (excluding short-term leases and leases of low-value assets). Lease liabilities are initially measured based on the present value of outstanding lease payment. Lease payments include:

- ① fixed payments (including in-substance fixed payments), less any lease incentives (if there is a lease incentive);
- ② variable lease payments that are based on an index or a rate;
- ③ amounts expected to be payable under the guaranteed residual value provided by the Company;
- ④ the exercise price of a purchase option if the Company is reasonably certain to exercise that option;
- ⑤ payments of penalties for terminating the lease option, if the lease term reflects that the Company will exercise that option.

The Company adopts the interest rate implicit in the lease as the discount rate. If that rate cannot be determined reasonably, the Company's incremental borrowing rate is used.

The Company shall calculate the interest expenses of lease liabilities in each period of the lease term at the fixed periodic interest rate, and include it into profit or loss in the period or cost of relevant assets.

Variable lease payments not included in the measurement of lease liabilities are charged to profit or loss in the period or cost of relevant assets in which they actually arise.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXIV) Lease (Continued)

1. *The Company as a lessee (Continued)*

(2) Lease liabilities (Continued)

After the commencement date of lease term, if the following circumstances occur, the Company remeasures the lease liability and adjusts the carrying value of the right-of-use asset accordingly. If the carrying value of the right-of-use asset has been reduced to zero and the lease liability still needs to be further reduced, the Company accounts for the difference in the current profit or loss:

- ① when there are changes in assessment results of the purchase, extension or termination option, or the actual exercise condition of the aforementioned options is inconsistent with the original assessment results, the Company remeasures the lease liabilities in accordance with the lease payments after changes and present value calculated based on the revised discount rate;
- ② when in-substance fixed payments, the amount expected to be payable under the guaranteed residual value or the index or rate arising from the confirmation of lease payments changed, the Company remeasures the lease liabilities in accordance with the present value calculated based on the lease payments after changes and the initial discount rate. However, if the lease payments change is due to a change in a floating interest rate, a revised discount rate is used.

(3) Short-term leases and leases of low-value assets

The right-of-use asset and lease liability are not recognised by the Company for short-term leases and leases of low-value assets, and the relevant lease payments are included in profit or loss in the period or costs of relevant assets in each period of the lease term on a straight-line basis. Short-term leases are defined as leases with a lease term of not more than 12 months from the commencement date and excluding a purchase option. Leases of low-value assets are defined as leases with underlying low value when new.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXIV) Lease (Continued)

1. *The Company as a lessee (Continued)*

(4) Lease change

The Company will account for the lease change as a separate lease if the lease changes and meets the following conditions:

- ① the lease change expands the scope of lease by increasing the rights to use one or more leased assets;
- ② the increased consideration and the individual price of the expanded part of the lease are equivalent to the amount adjusted for the contract.

If the lease change is not accounted for as a separate lease, the Company shall re-allocate the consideration of a changed contract, re-determine the lease term, and remeasure the lease liabilities by the present value calculated from the changed lease payments and revised discount rate on the effective date of the lease change.

If the lease change results in a narrower lease or a shorter lease term, the Company reduces the carrying amount of the right-of-use asset accordingly, and recognises the related gains or losses from partially or completely terminated leases into the current profit and loss. For other lease change that cause the lease liabilities to be remeasured, the Company adjusts the carrying amount of the right-of-use assets accordingly.

2. *The Company as a lessor*

At the commencement date of lease term, the Company classifies leases as financing leases and operating leases. A financing lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset, irrespective of whether the ownership of the asset is eventually transferred. An operating lease is a lease other than a financing lease. As a sub-leasing lessor, the Company classifies the sub-leases based on the right-of-use assets of the original leases.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXIV) Lease (Continued)

2. *The Company as a lessor (Continued)*

(1) Accounting treatment of operating leases

The lease payments derived from operating leases are recognised as rental income on a straight-line basis over the respective lease terms. Initial direct costs relating to operating leases to be incurred by the Company shall be capitalised and then allocated and included in the current profit and loss by stages at the same base as the recognition of rental income over the lease term. The variable lease payments not included in the measurement of lease payments shall be recognised in profit or loss in the period in which they are occurred. In case of modification of an operating lease, the Company shall treat it as a new lease from the effective date of modification, and the amount of the advance receipt or receivable related to the lease before the modification shall be regarded as the collection amount of the new lease.

(2) Accounting treatment of financing leases

At the commencement date of lease term, the Company recognises financing lease receivable and derecognises the underlying assets. The Company initially measures financing lease receivable in the amount of net investment in the lease. Net investment in the lease is the sum of the unguaranteed residual value and the present value of the lease payments receivable which were not received at the commencement date of lease term, discounted at the interest rate implicit in the lease.

The Company calculates and recognises interest income in each period during the lease term, based on a fixed periodic interest rate. The derecognition and impairment losses of financing lease receivable are accounted for in accordance with the Note “III. (XII) Financial instruments”.

Variable lease payments not included in the measurement of the net investment in the lease are included in profit or loss in the period in which they are occurred.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXIV) Lease (Continued)

2. *The Company as a lessor (Continued)*

(2) Accounting treatment of financing leases (Continued)

When a financing lease is changed and the following conditions are simultaneously met, the Company accounts for the lease change as a separate lease:

- 1 The change expands the scope of lease by adding the right to use one or more leased assets;
- 2 The consideration and the separate price of the expanded scope of lease are equivalent to the amount adjusted according to the contract.

Where a change in a financing lease is not accounted for as a separate lease, the Company deals with the lease after the change according to the following situation:

- 1 In case where the lease would have been classified as an operating lease assuming the modification became effective at the commencement date of the lease, the Company accounts for it as a new lease from the effective date of the modification and the net investment in the lease prior to the effective date of the modification is taken as the carrying amount of the leased assets;
- 2 In case where the lease would have been classified as a financing lease assuming the modification became effective at the commencement date of the lease, the Company conducts accounting treatment in accordance with the policy regarding the modification or renegotiation of contracts described in this Note "III. (XII) Financial instruments".

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXIV) Lease (Continued)

3. *After-sale and leaseback transactions*

The Company assesses and determines whether the asset transfer in the after-sale and leaseback transaction is a sale in accordance with principles described in Note “III. (XXX) Revenue”.

(1) As a lessee

If the asset transfer in the after-sale and leaseback transaction is a sale, the Company, as a lessee, measures the right-of-use assets formed by the after-sale and leaseback based on the part of the book value of the original assets related to the use rights obtained from the leaseback, and recognise relevant gains or losses only for the right to transfer to the lessor.

If the transfer of assets in the after-sale and leaseback transaction is not a sale, the Company, as a lessee, continues to recognise the transferred assets and recognises a financial liability equal to the transfer income. For details of accounting treatment for financial liabilities, please see Note “III. (XII) Financial instruments”.

(2) As a lessor

If the transfer of assets in the after-sale and leaseback transaction is a sale, the Company, as a lessor, accounts for asset purchase, and accounts for asset lease in accordance with policies in the aforementioned “2. The Company as a lessor”; if the transfer of assets in the after-sale and leaseback transaction is not a sale, the Company, as a lessor, does not recognise the transferred assets, but recognises a financial asset equal to the transfer income. For details of accounting treatment for financial assets, please see Note “III. (XII) Financial instruments”.

(XXXV) Asset backed securities

If the Company securitizes part of the trade receivables and sells it to a special purpose entity, which then issues securities to investors, the transfer of these financial assets meets the conditions for derecognition. For the prerequisites for derecognition of financial assets, please refer to the aforementioned financial asset transfer. During the transfer process, the Company does not retain the rights and interests of the transferred financial assets and only provides collection services in accordance with the agreement. During the securitization process, the difference between the book value of the derecognised financial assets and its consideration is recognised as a securitization gain or loss and included in the current profit and loss.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXVI) Discontinued operation

Discontinued operation refers to a component that meet one of the following conditions and can be distinguished separately and has been disposed of or classified by the Company as held for sale:

- (1) represents a separate major line of business or geographical area of operations;
- (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations;
- (3) is a subsidiary acquired exclusively with a view to resale.

The profits or losses from continuing operations and discontinued operations are presented in the income statement, respectively. The profits or losses from discontinued operations such as impairment losses and reversed amounts and the profits or losses of disposal shall be presented as the profits or losses from discontinued operations. For discontinued operations presented in the current period, the information originally presented as the profits or losses from continuing operations in the current financial statements shall be presented as the profits or losses from discontinued operations during comparable accounting periods again.

(XXXVII) Segment reporting

The Company will determine operation segment on the basis of the internal organizational structure, management requirements and internal report system, and determine reporting segment on the basis of operation segment, and disclose such segment information.

An operating segment is a component of the Company that meets the following conditions simultaneously: (1) the component is able to generate revenues and incur expenses from its ordinary activities; (2) whose operating results are regularly evaluated by the Company's management to make decisions about resources to be allocated to the segment and to assess its performance; (3) for which the accounting information on financial position, operating results and cash flows is available to the Company. Two or more operating segments may be aggregated into a single operating segment if they have similar economic characteristics and meet specified conditions.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXVIII) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances. The estimates and assumptions that have a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next year are described below:

1. *Estimated service life and net residual value of fixed assets*

The management of the Company confirms the estimated service life, net residual value and related depreciation costs based on the historical experience of the actual service life of the buildings, machinery and equipment with similar properties or functions. Management will adjust depreciation costs when previously estimated useful life is different or for obsolete or sold technically-obsolete or non-strategic assets. The actual economic life may differ from the expected useful life, and the actual net residual value may also differ from the expected one. Regular inspection of depreciable life, estimated net residual value may cause changes and changes in depreciation costs for future periods.

2. *Net realizable value of the inventory*

The net realizable value of the inventory is equal to the estimated selling price in the daily business activities minus the estimated cost to occur at completion, the estimated sales expenses, and related taxes and fees. The estimate is based on current market conditions and historical experience of producing and selling products of the same nature, which may change significantly by technological innovation, and the competitors' behavior in response to serious industry cycles. Management will reassess the estimate on the balance sheet date.

3. *Current period and deferred income tax*

The Company shall pay income tax in different jurisdictions and make significant judgments on the provision of income tax in each jurisdiction. In daily operations, the final determined tax involved in some transactions and calculations is uncertain. Considering the long-term nature and complexity of existing provisions, there will be differences between actual results and assumptions, and relevant assumptions will change in the future, thus affecting the determination of current income tax and deferred income tax.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

(XXXVIII) Critical accounting estimates and judgements (Continued)

3. *Current period and deferred income tax (Continued)*

When the management believes that it is likely to deduct sufficient temporary difference or income tax loss in the future, the deferred income tax assets related to the temporary difference or income tax loss are recognized. When the expected result is different from that before, the difference will affect the recognition of deferred income tax assets and current income tax expenses, which are included in the current period of the estimated change.

4. *Impairment of financial assets*

The provisions for impairment of financial assets are calculated based on assumptions about the risk of default and expected loss rates. The Company makes assumptions and selects the calculated input values against the past account ages, existing market conditions and forward looking estimates at the end of each reporting period. Note III. (XII) and Note III. (XIII) disclose information related to all key assumptions.

5. *Impairment of non-financial assets*

The management of the Company needs to make a judgment on the asset impairment on the balance sheet date, especially when evaluating long-term assets, including fixed assets, projects under construction, intangible assets, etc. The recoverable amount is the higher value between the fair value of the asset minus the disposal expense and the present value of the expected future cash flow. The revaluation recoverable amount can be adjusted at each impairment test. Note III. (XXIII) disclose the relevant information.

(XXXIX) Changes in significant accounting policies and accounting estimates

None.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

IV. TAXATION

(1) Major tax categories and tax rates

Tax categories	Tax basis	Tax rate (%)
Value-added tax	The VAT payable is the difference between output tax (calculated based on sales of goods and taxable service income under the tax laws) and the deductible input tax of the period	13, 9, 6, 5, 3, 1
Urban maintenance and construction tax	Based on value added tax paid	7, 5
Educational surcharge and local education surcharge	Based on value added tax paid	3, 2
Enterprise income tax	Based on taxable profits	15

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

IV. TAXATION (Continued)

(II) Important tax incentives and approvals

1. On 23 April 2020, the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission jointly issued the Announcement on the Continuation of the Corporate Income Tax Policy for Western Development (Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission of [2020] No. 23), which specifies that “from 1 January 2021 to 31 December 2030, enterprises in the encouraged industries located in the western regions shall be subject to a reduced corporate income tax rate of 15%. For the purpose of this article, “enterprise in an encouraged industry” means an enterprise whose main business is within the scope of industry projects set out in the Catalogue of Encouraged Industries in western regions and whose revenue from its main business accounts for 60% or more of its gross income. According to the Catalogue of Encouraged Industries in western China (2020 Edition) (Decree No. 40 of the National Development and Reform Commission, which came into force on 1 March 2021), “high-end and high-quality float glass, electronic glass, automobile and photovoltaic glass production and downstream deep processing” belongs to the encouraged industry in western regions. The Company, Xianyang IRICO Photovoltaic Glass Co., Ltd. (Xianyang Photovoltaic) and IRICO Yan’an New Energy Co., Ltd. (Yan’an New Energy), the subsidiaries of the Company, fulfilled the conditions for preferential tax policy of the western development, was entitled to the preferential tax policy of the western development and shall be subject to a reduced corporate income tax rate at 15% during the Reporting Period.
2. IRICO (Hefei) Photovoltaic Co., Ltd. (Hefei Photovoltaic), a subsidiary of the Company, was once again accredited as a High and New Technology Enterprise (Certificate No. GR202434001612) as approved by the Industry and Information Technology Department of Anhui Province, and the Department of Finance of Anhui Province, Anhui Provincial Tax Service of the State Taxation Administration on 29 October 2024, and has been entitled to a 15% preferential tax treatment for EIT, with a certificate valid for three years.
3. Xianyang Photovoltaic, a subsidiary of the Company, was accredited as a High and New Technology Enterprise (Certificate No. GR202261000379) as approved by the Science and Technology Department of Shaanxi Province, the Department of Finance of Shaanxi Province and Shaanxi Provincial Tax Service of the State Taxation Administration on 12 October 2022, and has been entitled to a 15% preferential tax treatment for EIT and the validity period of the certificate is three years; and on 19 December 2025, it was again accredited as a High and New Technology Enterprise (Certificate No. GR202561001225) by the Shaanxi Provincial Department of Industry and Information Technology, Shaanxi Provincial Department of Finance, and Shaanxi Provincial Taxation Bureau of the State Administration of Taxation, with a certificate valid for three years.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

IV. TAXATION (Continued)

(II) Important tax incentives and approvals (Continued)

4. Yan'an New Energy, a subsidiary of the Company, was accredited as a High and New Technology Enterprise (Certificate No. GR202261004763) as approved by the Science and Technology Department of Shaanxi Province, the Department of Finance of Shaanxi Province and Shaanxi Provincial Tax Service of the State Taxation Administration on 14 December 2022, and has been entitled to a 15% preferential tax treatment for EIT and the validity period of the certificate is three years; and was accredited as a High and New Technology Enterprise (Certificate No. GR202561002150) as approved by the Science and Technology Department of Shaanxi Province, the Department of Finance of Shaanxi Province and Shaanxi Provincial Tax Service of the State Taxation Administration on 19 December 2025, and has been entitled to a 15% preferential tax treatment for EIT and the validity period of the certificate is three years.
5. Jiangxi IRICO Photovoltaic Co., Ltd. (Jiangxi Photovoltaic), a subsidiary of the Company, was accredited as a High and New Technology Enterprise (Certificate No. GR202336000178) as approved by the Science and Technology Department of Jiangxi Province, the Department of Finance of Jiangxi Province and Jiangxi Provincial Tax Service of the State Taxation Administration on 12 November 2023, and has been entitled to a 15% preferential tax treatment for EIT and the validity period of the certificate is three years.
6. Hefei Photovoltaic, Yan'an New Energy, Xianyang Photovoltaic and Jiangxi Photovoltaic, subsidiaries of the Company, pursuant to the Notice on Further Improvement of the Policy of Weighted Pretax Deduction on Research and Development Expenses (Announcement of the Ministry of Finance and the State Taxation Administration No. 7 of 2023), is required to deduct 100% of the amount actually incurred which shall be deducted before tax payment, in addition to the deduction as prescribed to the extent of the amount actually incurred since 1 January 2023, where the research and development expenses incurred by an enterprise in research and development activities do not form intangible assets and are included in the current period's profit or loss; and make pre-tax amortisation based on 200% of the costs of the intangible assets since 1 January 2023 where intangible assets are formed.
7. According to the Announcement on Further Increasing the Strength of the Implementation of Policy of VAT Ending Withholding Tax Refund (Announcement of the Ministry of Finance and the State Taxation Administration of No. 14 of 2022), Hefei Photovoltaic, Yan'an New Energy and Jiangxi Photovoltaic, subsidiaries of the Company, expands the scope of the policy on full monthly refund of incremental retained tax credits for advanced manufacturing industries to eligible manufacturing industries and other industries, and provide a one-time refund of retained tax credits for enterprises in manufacturing industries and other industries to support the development of small and micro enterprises and manufacturing industries, boost the confidence of market players, stimulate the vitality of market players, and increase the strength of the VAT refund policy for "manufacturing" and other VAT credits at the end of the period. Eligible enterprises in manufacturing and other industries shall apply to the competent tax authorities for refunding the incremental retained tax credits starting from the tax declaration period in April 2022.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(I) Monetary funds

Item	31 December 2025	31 December 2024
Cash on hand		
Bank deposit	256,055,163.22	372,373,245.52
Other monetary funds	53,344,911.22	51,089,568.00
Deposits with finance company	12,929,054.72	
Total	322,329,129.16	423,462,813.52
Of which: Total deposits outside the Mainland		

Restrictions on the use of monetary funds at the end of the period

Item	31 December 2025	31 December 2024
Pledged certificates of deposit		
Security deposit for bills and letter of credit and guarantees	53,344,911.22	51,089,568.00
Total	53,344,911.22	51,089,568.00

Note: At the end of the period, except for the above-mentioned restrictions on the use of monetary funds, there are no other restrictions on the use and potential recovery risks due to mortgage, pledge or freezing.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(II) Bills receivable

1. *Bills receivable by category*

Item	31 December 2025	31 December 2024
Bank acceptance bills	715,449,048.56	864,586,411.05
Finance company acceptance bills		
Commercial acceptance bills	60,830,209.17	8,241,771.07
Subtotal	776,279,257.73	872,828,182.12
Less: provision for bad debts		
Total	776,279,257.73	872,828,182.12

2. *Bills receivable endorsed or discounted at the end of the period but not yet due on the balance sheet date*

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills		676,416,133.83
Commercial acceptance bills		10,825,554.32
Total		687,241,688.15

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(II) Bills receivable (Continued)

3. *Classified disclosure by provision for bad debt method*

Category	Book balance		31 December 2025		Carrying amount
	Amount	Proportion (%)	Provision for bad debts Amount	Appropriation	
				proportion (%)	
Bills receivables for which provision for bad debts by individual					
Bills receivables for which provision for bad debts by portfolio	776,279,257.73	100.00			776,279,257.73
Including: Bank acceptance bills portfolio	715,449,048.56	92.16			715,449,048.56
Finance company acceptance bills portfolio					
Commercial acceptance bills portfolio	60,830,209.17	7.84			60,830,209.17
Total	776,279,257.73	100.00			776,279,257.73

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(II) Bills receivable (Continued)

3. Classified disclosure by provision for bad debt method (Continued)

Category	Book balance		31 December 2024		Carrying amount
	Amount	Proportion (%)	Provision for bad debts Amount	Appropriation	
				proportion (%)	
Bills receivables for which provision for bad debts by individual					
Bills receivables for which provision for bad debts by portfolio	872,828,182.12	100.00			872,828,182.12
Including: Bank acceptance bills portfolio	864,586,411.05	99.06			864,586,411.05
Finance company acceptance bills portfolio					
Commercial acceptance bills portfolio	8,241,771.07	0.94			8,241,771.07
Total	872,828,182.12	100.00			872,828,182.12

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(II) Bills receivable (Continued)

3. Classified disclosure by provision for bad debt method (Continued)

(2) Bills receivables for which provision for bad debts by portfolio

Portfolio	31 December 2025			31 December 2024		
	Book balance	Provision for bad debts	Appropriation proportion (%)	Book balance	Provision for bad debts	Appropriation proportion (%)
Bank acceptance bills portfolio	715,449,048.56			864,586,411.05		
Finance company acceptance bills portfolio						
Commercial acceptance bills portfolio	60,830,209.17			8,241,771.07		
Total	776,279,257.73			872,828,182.12		

(III) Trade receivables

1. Shown by aging

Aging	31 December 2025	31 December 2024
Within 1 year		
Including: 0–6 months (inclusive)	1,050,675,661.96	593,660,307.89
7–12 months (inclusive)	102,383,501.55	4,526,599.55
Subtotal for within 1 year	1,153,059,163.51	598,186,907.44
1–2 years (inclusive)	33,558,849.22	2,152,537.16
2–3 years (inclusive)	440,837.22	4,710,853.80
Over 3 years	5,517,713.28	8,571,937.00
Subtotal	1,192,576,563.23	613,622,235.40
Less: provision for bad debts	14,779,418.26	5,536,332.30
Total	1,177,797,144.97	608,085,903.10

Note: The aging of trade receivables is shown by aging based on the recording date.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(III) Trade receivables (Continued)

2. Disclosed according to the method of provision for bad debts

Category	Book balance		31 December 2025		Carrying amount
	Amount	Proportion (%)	Allowance for bad debts		
			Amount	Appropriation proportion (%)	
Trade receivables with allowance for bad debts is made based on individual basis	496,731.45	0.04	496,731.45	100.00	
Trade receivables with allowance for bad debts is made based on group basis	1,192,079,831.78	99.96	14,282,686.81	1.20	1,177,797,144.97
Including: By aging	1,180,749,591.41	99.01	14,282,686.81	1.21	1,166,466,904.60
By low credit risk portfolio	11,330,240.37	0.95			11,330,240.37
Total	1,192,576,563.23	100.00	14,779,418.26	1.24	1,177,797,144.97

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(III) Trade receivables (Continued)

2. Disclosed according to the method of provision for bad debts (Continued)

Category	Book balance		31 December 2024		Carrying amount
	Amount	Proportion (%)	Allowance for bad debts		
			Amount	Appropriation proportion (%)	
Trade receivables with allowance for bad debts is made based on individual basis	496,731.45	0.08	496,731.45	100.00	
Trade receivables with allowance for bad debts is made based on group basis	613,125,503.95	99.92	5,039,600.85	0.82	608,085,903.10
Including: By aging	595,509,632.16	97.05	5,039,600.85	0.85	590,470,031.31
By low credit risk portfolio	17,615,871.79	2.87			17,615,871.79
Total	613,622,235.40	100.00	5,536,332.30	0.90	608,085,903.10

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(III) Trade receivables (Continued)

2. Trade receivables disclosed according to provision for bad debts (Continued)

(1) Trade receivables that are subject to allowance for bad debts estimated at the end of the period on individual basis:

Name of unit	Book balance	Allowance for bad debts	Appropriation proportion (%)	Reasons
Zhejiang Yuhui Sunshine Energy Co., Ltd. (浙江昱輝陽光能源有限公司)	496,731.45	496,731.45	100.00	Expected to be irrecoverable
Total	496,731.45	496,731.45	100.00	

(2) Trade receivables that are subject to provision for bad debts on credit risk characteristics

1 Group 1: by aging

Aging	31 December 2025			31 December 2024		
	Book balance	Allowance for bad debts	Appropriation proportion (%)	Book balance	Allowance for bad debts	Appropriation proportion (%)
0-6 months (inclusive)	1,048,152,891.58			588,626,748.21		
7-12 months (inclusive)	100,037,966.94	1,000,379.67	1.00	1,861,902.12	18,619.02	1.00
1-2 years (inclusive)	27,537,751.06	8,261,325.31	30.00			
2-3 years (inclusive)						
Over 3 years	5,020,981.83	5,020,981.83	100.00	5,020,981.83	5,020,981.83	100.00
Total	1,180,749,591.41	14,282,686.81	1.21	595,509,632.16	5,039,600.85	0.85

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(III) Trade receivables (Continued)

2. Trade receivables disclosed according to provision for bad debts (Continued)

(2) Trade receivables that are subject to provision for bad debts on credit risk characteristics (Continued)

② Group 2: by low credit risk portfolio

Portfolio name	31 December 2025			31 December 2024		
	Book balance	Allowance for bad debts	Appropriation proportion (%)	Book balance	Allowance for bad debts	Appropriation proportion (%)
Low credit risk portfolio	11,330,240.37			17,615,871.79		
Total	11,330,240.37			17,615,871.79		

3. Allowances for bad debts

Category	31 December 2024	Provision	Changes during the period		Other changes	31 December 2025
			Recovered or reversed	Written off		
Trade receivables with allowances for bad debts is made based on individual basis	496,731.45					496,731.45
Trade receivables with allowance for bad debts is made based on group basis	5,039,600.85	9,243,085.96				14,282,686.81
Including: By aging	5,039,600.85	9,243,085.96				14,282,686.81
Total	5,536,332.30	9,243,085.96				14,779,418.26

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(III) Trade receivables (Continued)

4. Top five trade receivables and contract assets according to closing balance of debtors

Name of unit	Balance of 31 December 2025	Closing balance of contract assets	Closing balance of trade receivables and contract assets	Percentage of total closing balance of trade receivables and contract assets (%)	Closing balance of allowance for bad debt
Zhejiang Aixu Solar Technology Co., Ltd. (浙江爱旭太阳能科技有限公司)	191,904,387.25		191,904,387.25	16.09	
Funing GCL System Integration Solar Technology Co., Ltd. (阜寧協鑫集成光能科技有限公司)	104,314,635.51		104,314,635.51	8.75	
Hefei GCL Integrated Light Energy Technology Co., Ltd. (合肥協鑫集成 光能科技有限公司)	94,526,581.16		94,526,581.16	7.93	174,151.09
Hefei GCL System Integration New Energy Technology Co., Ltd. (合肥協鑫集新能源能科技有限公司)	93,706,428.01		93,706,428.01	7.86	
DAS Solar Co., Ltd. (一道新能源科技股份有限公司)	86,611,673.03		86,611,673.03	7.26	4,535,409.17
Total	571,063,704.96		571,063,704.96	47.89	4,709,560.26

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(III) Trade receivables (Continued)

5. *The situation of overdue trade receivables at the end of the period*

Items	31 December 2025
Trade receivables not overdue and not impaired	764,867,405.81
Trade receivables overdue and not impaired	294,615,726.14
Trade receivables overdue and impaired	133,093,431.28
Total	1,192,576,563.23

As of 31 December 2025, the information on the impairment of trade receivables and the Company's exposure to credit risk and foreign currency risk are set out in Note X.

As at 31 December 2025, the carrying amounts of trade receivables approximated their fair values.

The basis of trade receivables aging analysis is set out in Note III. (XIII).

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(IV) Receivables financing

1. *Receivables financing by category*

Item	31 December 2025	31 December 2024
Bills receivable	57,957,822.73	423,850,829.11
Total	57,957,822.73	423,850,829.11

2. *Receivables financing pledged at the end of the period*

Item	Amount pledged at the end of the period
Bank acceptance bills	40,619,751.10
Total	40,619,751.10

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(IV) Receivables financing (Continued)

3. *Receivables financing endorsed or discounted at the end of the period but not mature at the balance sheet date*

Item	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance bills	269,637,374.62	
Total	269,637,374.62	

4. *Changes in receivables financing for the period and changes in fair value*

Item	31 December 2024	New grants for the period	Derecognition for the period	Other changes	31 December 2025	Accumulated allowance for losses recognized in other comprehensive income
Bills receivable	423,850,829.11	1,259,217,340.98	1,625,110,347.36		57,957,822.73	
Total	423,850,829.11	1,259,217,340.98	1,625,110,347.36		57,957,822.73	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(V) Prepayments

1. *Prepayments stated according to aging analysis*

Aging	31 December 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (inclusive)	60,888,834.78	94.79	61,389,312.23	90.58
1–2 years (inclusive)	13,176.38	0.02	6,348,156.48	9.36
2–3 years (inclusive)	3,333,181.13	5.19	11,956.20	0.02
Over 3 years			26,744.50	0.04
Total	64,235,192.29	100.00	67,776,169.41	100.00

Significant prepayments aged over 1 year

Creditor	Debtor	Balance as at 31 December 2025	Aging	Reason for unsettlement
Hefei Photovoltaic	Hefei Xincheng Holding Group Co., Ltd.* (合肥鑫城控股集團有限公司)	3,250,000.00	Between 2-3 years	Not settled
Total		3,250,000.00		

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(V) Prepayments (Continued)

2. Top five entities in terms of prepayments at the end of the period categorized by payee

Name of unit	Balance as at 31 December 2025	Percentage of closing balance of total prepayments (%)
Henan Jindadi Chemical Co., Ltd. (河南金大地化工有限責任公司)	35,104,276.04	54.65
Hefei Heran Huarun Gas Co., Ltd. (合肥合燃華潤燃氣有限公司)	15,799,938.23	24.60
Ningbo Chengji Energy Trading Co., Ltd. (寧波城際能源貿易有限公司)	6,215,883.36	9.68
Hefei Xincheng Holding Group Co., Ltd.* (合肥鑫城控股集團有限公司)	3,250,000.00	5.06
Shanghai Chenyang Chemical Co., Ltd. (上海晨洋化工有限公司)	2,476,297.16	3.86
Total	62,846,394.79	97.85

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(VI) Other receivables

Item	31 December 2025	31 December 2024
Interest receivable		
Dividends receivable		
Other receivables	29,512,729.02	28,020,318.24
Total	29,512,729.02	28,020,318.24

1. *Other receivables*

(1) Disclosed by aging

Aging	31 December 2025	31 December 2024
Within 1 year		
Including: 0–6 months (inclusive)	6,892,438.01	11,191,177.08
7–12 months (inclusive)		
Subtotal for within 1 year	6,892,438.01	11,191,177.08
1–2 years (inclusive)	11,059,892.65	20,000.00
2–3 years (inclusive)		19,360.00
Over 3 years	11,777,641.16	16,799,698.16
Subtotal	29,729,971.82	28,030,235.24
Less: provision for bad debts	217,242.80	9,917.00
Total	29,512,729.02	28,020,318.24

(2) Disclosed according to the nature of amount

Nature of amount	31 December 2025	31 December 2024
By deposits, margins and reserves	22,113,391.16	27,164,891.16
By trading receivables and other receivables	7,616,580.66	865,344.08
Subtotal	29,729,971.82	28,030,235.24
Less: provision for bad debts	217,242.80	9,917.00
Total	29,512,729.02	28,020,318.24

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(VI) Other receivables (Continued)

1. Other receivables (Continued)

(3) Disclosed according to the method of provision for bad debts

Category	31 December 2025				
	Book balance		Allowance for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Appropriation proportion (%)	
Other receivables with allowance for bad debts is made on the individual basis					
Other receivables with allowance for bad debts is made on group basis	29,729,971.82	100.00	217,242.80	0.73	29,512,729.02
Including: By aging	7,616,580.66	25.62	217,242.80	2.85	7,399,337.86
By deposits, margins and reserves	22,113,391.16	74.38			22,113,391.16
Total	29,729,971.82	100.00	217,242.80	0.73	29,512,729.02

Category	31 December 2024				
	Book balance		Allowance for bad debts		Carrying amount
	Amount	Proportion (%)	Amount	Appropriation proportion (%)	
Other receivables with allowance for bad debts is made on the individual basis					
Other receivables with allowance for bad debts is made on group basis	28,030,235.24	100.00	9,917.00	0.04	28,020,318.24
Including: By aging	865,344.08	3.09	9,917.00	1.15	855,427.08
By deposits, margins and reserves	27,164,891.16	96.91			27,164,891.16
Total	28,030,235.24	100.00	9,917.00	0.04	28,020,318.24

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(VI) Other receivables (Continued)

1. Other receivables (Continued)

(3) Disclosed according to the method of provision for bad debts (Continued)

Other receivables for which provision for bad debts is made according to the combination of credit risk characteristics

① Group 1: by aging

Aging	31 December 2025			31 December 2024		
	Book balance	Allowance for bad debts	Appropriation proportion (%)	Book balance	Allowance for bad debts	Appropriation proportion (%)
0-6 months (inclusive)	6,892,438.01			855,427.08		
7-12 months (inclusive)						
1-2 years (inclusive)	724,142.65	217,242.80	30.00			
2-3 years (inclusive)						
Over 3 years				9,917.00	9,917.00	100.00
Total	7,616,580.66	217,242.80	2.85	865,344.08	9,917.00	1.15

② Group 2: by deposits, margins and reserves

Name	31 December 2025			31 December 2024		
	Book balance	Allowance for bad debts	Appropriation proportion (%)	Book balance	Allowance for bad debts	Appropriation proportion (%)
By deposits, margins and reserves	22,113,391.16			27,164,891.16		
Total	22,113,391.16			27,164,891.16		

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(VI) Other receivables (Continued)

1. Other receivables (Continued)

(4) Allowances for bad debts

壞賬準備	Stage I ECL for the following 12 months	Stage II Lifetime ECL (without credit impairment)	Stage III Lifetime ECL (with credit impairment)	Total
Balance as at 31 December 2024		9,917.00		9,917.00
Balance as at 31 December 2024 during the period				
- Transferred to Stage II				
- Transferred to Stage III				
- Reversed to Stage II				
- Reversed to Stage I				
Made for the period	217,242.80	-9,917.00		207,325.80
Reversed for the period				
Charged off for the period				
Written off for the period				
Other changes				
Balance as at 31 December 2025	217,242.80			217,242.80

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(VI) Other receivables (Continued)

1. *Other receivables (Continued)*

(5) Change in book balance

Book balance	Stage I ECL for the following 12 months	Stage II Lifetime ECL (without credit impairment)	Stage III Lifetime ECL (with credit impairment)	Total
Balance as at 31 December 2024	28,020,318.24	9,917.00		28,030,235.24
Balance as at 31 December 2024 during the period				
- Transferred to Stage II				
- Transferred to Stage III				
- Reversed to Stage II				
- Reversed to Stage I				
Addition for the period	26,902,039.85			26,902,039.85
Derecognition for the period	25,192,386.27	9,917.00		25,202,303.27
Other changes				
Balance as at 31 December 2025	29,729,971.82			29,729,971.82

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(VI) Other receivables (Continued)

1. Other receivables (Continued)

(6) Top five other trade receivables according to closing balance of debtors

Name of unit	Nature of payment	Balance as at 31 December 2025	Aging	Percentage of total closing balance of other receivables (%)	Closing balance of allowance for bad debts
Shangrao Anxin Development Co., Ltd.* (上饒市安信發展有限公司)	Deposits	10,320,000.00	1 to 2 years	34.71	
Xianyang City Qindu District State-owned Investment Company* (咸陽市秦都區國有投資公司)	Deposits	10,000,000.00	over 3 years	33.64	
Shangrao Economic and Technological Development Zone Management Committee (上饒經濟技術開發區管理委員會)	Government grants	6,885,666.66	0 to 6 months	23.16	
Hubei Yijun Yaoneng New Material Co., Ltd. (湖北億鈞耀能新材股份公司)	Current accounts	381,335.65	1 to 2 years	1.28	114,400.70
Chongqing Sincere Trade Co., Ltd. (重慶誠悅信貿易有限公司)	Current accounts	262,173.00	1 to 2 years	0.88	78,651.90
Total		27,849,175.31		93.67	193,052.60

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(VII) Inventories

1. *Categories of inventories*

Item	31 December 2025			31 December 2024		
	Book balance	Provision for impairment of inventories/ provision for contract performance costs	Carrying amount	Book balance	Provision for impairment of inventories/ provision for contract performance costs	Carrying amount
Raw materials	47,890,216.86	1,722,819.91	46,167,396.95	85,133,528.39	14,670,513.51	70,463,014.88
Revolving materials and others	5,630,446.03	710,212.15	4,920,233.88	5,958,942.35	822,656.52	5,136,285.83
Semi-finished goods and work-in-process	7,236,354.95	1,416,139.45	5,820,215.50	19,733,803.10	3,967,990.35	15,765,812.75
Goods in stock	247,390,923.02	73,438,031.32	173,952,891.70	258,168,754.88	65,042,906.80	193,125,848.08
Goods in transit	96,457,183.26	11,956,480.41	84,500,702.85	313,897,490.29	58,593,785.18	255,303,705.11
Total	404,605,124.12	89,243,683.24	315,361,440.88	682,892,519.01	143,097,852.36	539,794,666.65

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(VII) Inventories (Continued)

2. *Changes in provision for impairment of inventories and provision for contract performance costs*

Item	31 December 2024	Increase for the period		Decrease for the period		31 December 2025
		Accrue	Others	Reversal or Write-off	Others	
Raw materials	14,670,513.51	1,722,819.91		14,670,513.51		1,722,819.91
Revolving materials and others	822,656.52	-112,444.37				710,212.15
Semi-finished goods and work- in-process	3,967,990.35	1,394,184.61		3,946,035.51		1,416,139.45
Goods in stock	65,042,906.80	34,667,299.90		26,272,175.38		73,438,031.32
Goods in transit	58,593,785.18	11,492,404.98		58,129,709.75		11,956,480.41
Total	143,097,852.36	49,164,265.03		103,018,434.15		89,243,683.24

Note: The decrease in the provision for depreciation of goods in stock for the period is written off.

(VIII) Non-current assets due within 1 year

Item	31 December 2025	31 December 2024
Certificates of deposit due within 1 year	50,277,777.78	
Total	50,277,777.78	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(IX) Other current assets

Item	31 December 2025	31 December 2024
Input VAT deductible	44,229,745.80	117,940,272.40
Deferred expenses	10,708,585.66	14,122,692.64
Prepaid EIT		4,341,016.30
Total	54,938,331.46	136,403,981.34

(X) Other investment in equity instruments

Details of other investment in equity instruments

Item	31 December 2024	Addition of investment	Reduction of investment	Changes for the period		Other	31 December 2025
				Gains recognized in other comprehensive income for the period	Losses recognized in other comprehensive income for the period		
Shaanxi IRICO Electronics Glass Co., Ltd. (陝西彩虹電子玻璃有限 公司)	112,281,276.54				13,234,659.34		99,046,617.20
IRICO Display Devices Co., Ltd. (彩虹顯示器件股份有限公司)	290,788,032.06				61,199,914.29		229,588,117.77
Total	403,069,308.60				74,434,573.63		328,634,734.97

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(x) Other investment in equity instruments (Continued)

(Continued)

Item	Dividend income recognized in the current period	Accumulated gains recognized in other comprehensive income	Accumulated loss recognized in other comprehensive income	Reasons for designating as financial assets at fair values through other comprehensive income
Shaanxi IRICO Electronics Glass Co., Ltd. (陝西彩虹電子玻璃有限公司)			3,969,640.61	Investment in equity instrument not held trading purposes
IRICO Display Devices Co., Ltd. (彩虹顯示器件股份有限公司)			150,773,368.55	Investment in equity instrument not held trading purposes
Total			154,743,009.16	

Note 1: As at 31 December 2025, the Company held a total of 35,375,673 shares of IRICO Display Devices Co., Ltd..

Note 2: As at 31 December 2025, the Company held a shareholding of 7.2953% in Shaanxi IRICO Electronics Glass Co., Ltd..

(XI) Fixed assets

Category	31 December 2025	31 December 2024
Fixed assets	3,645,837,646.25	3,364,620,210.88
Disposal of fixed assets	93,893.69	93,893.69
Total	3,645,931,539.94	3,364,714,104.57

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XI) Fixed assets (Continued)

1. Fixed assets

(1) Details of fixed assets

Item	Buildings and structures	Machinery equipment	Transportation equipment	Office equipment and others	Total
i. Original carrying amount					
1. 31 December 2024	786,014,415.73	3,091,968,897.72	12,968,745.72	5,113,151.31	3,896,065,210.48
2. Increase for the period	240,937,723.09	747,674,116.57	3,296,786.83	359,081.13	992,267,707.62
(1) Purchase		2,907,576.39		21,298.23	2,928,874.62
(2) Transferred from construction in Progress	240,937,723.09	744,766,540.18	3,296,786.83	337,782.90	989,338,833.00
3. Decrease for the period	114,887,729.05	432,264,624.66	2,300,229.62	1,328.88	549,453,912.21
(1) Disposal or retirement		3,637.19	26,077.11	1,328.88	31,043.18
(2) Transferred to other asset items	114,887,729.05	432,260,987.47	2,274,152.51		549,422,869.03
4. 31 December 2025	912,064,409.77	3,407,378,389.63	13,965,302.93	5,470,903.56	4,338,879,005.89
ii. Accumulated depreciation					
1. 31 December 2024	174,193,423.34	346,236,944.88	7,505,546.77	2,517,983.28	530,453,898.27
2. Increase for the period	29,384,999.84	254,316,467.29	1,480,607.66	782,337.51	285,964,412.30
(1) Provision	29,384,999.84	254,316,467.29	1,480,607.66	782,337.51	285,964,412.30
3. Decrease for the period	20,349,565.67	102,865,379.91	1,152,474.23	632.45	124,368,052.26
(1) Disposal or retirement		1,746.32	12,744.76	632.45	15,123.53
(2) Transferred to other asset items	20,349,565.67	102,863,633.59	1,139,729.47		124,352,928.73
4. 31 December 2025	183,228,857.51	497,688,032.26	7,833,680.20	3,299,688.34	692,050,258.31
iii. Provision for impairment					
1. 31 December 2024			991,101.33		991,101.33
2. Increase for the period					
3. Decrease for the period					
4. 31 December 2025			991,101.33		991,101.33
iv. Carrying amount					
1. 31 December 2025	728,835,552.26	2,909,690,357.37	5,140,521.40	2,171,215.22	3,645,837,646.25
2. 31 December 2024	611,820,992.39	2,745,731,952.84	4,472,097.62	2,595,168.03	3,364,620,210.88

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XI) Fixed assets (Continued)

1. Fixed assets (Continued)

(3) Fixed assets leased out through operating leases as at 31 December 2025

Category	31 December 2025
Buildings and structures	50,546,014.56
Total	50,546,014.56

(4) Details of fixed assets of which title of certificates had not been obtained as at 31 December 2025

Item	31 December 2025	Reasons for having not to obtained the title of certificates
Buildings and structures	40,359,970.12	The title of certificate of Hefei Photovoltaic is in progress
Total	40,359,970.12	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XI) Fixed assets (Continued)

1. Fixed assets (Continued)

(5) Testing of provision for impairment of fixed assets

1) Recoverable amount determined based on the present value of expected future cash flows

Project	Carrying amount (RMB0'000)	Recoverable amount (RMB0'000)	Impairment amount (RMB0'000)	Forecast period	Key parameters during forecast period	Key parameters during stable period	Basis for determining key parameters during stable period
Jiangxi Photovoltaic fixed assets and construction in progress asset group	156,995.06	182,700.00		6 years	Future cash flows, discount rate	Future cash flows, discount rate	Future cash flows: determined based on management's annual business plan and expectations of future market development. Discount rate: reflects the current market time value of money and the rate of return for specific risks of the relevant asset group.
Hefei Photovoltaic fixed assets and construction in progress asset group	181,617.24	182,400.00		8 years	Future cash flows, discount rate	Future cash flows, discount rate	Future cash flows: determined based on management's annual business plan and expectations of future market development. Discount rate: reflects the current market time value of money and the rate of return for specific risks of the relevant asset group.
Yan'an New Energy fixed assets and construction in progress asset group	98,746.30	99,100.00		7 years	Future cash flows, discount rate	Future cash flows, discount rate	Future cash flows: determined based on management's annual business plan and expectations of future market development. Discount rate: reflects the current market time value of money and the rate of return for specific risks of the relevant asset group.
Xianyang Photovoltaic fixed assets and construction in progress asset group	13,415.93	16,269.00		15 years	Future cash flows, discount rate	Future cash flows, discount rate	Future cash flows: determined based on management's annual business plan and expectations of future market development. Discount rate: reflects the current market time value of money and the rate of return for specific risks of the relevant asset group.
Total	450,774.53	480,469.00					

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XI) Fixed assets (Continued)

2. *Disposal of fixed assets*

Item	31 December 2025	31 December 2024
Machinery equipment	93,893.69	93,893.69
Total	93,893.69	93,893.69

3. *Other explanation*

Located in Mainland China	31 December 2025	31 December 2024
Medium-term (10–50 years)	3,017,288,658.54	2,740,378,441.84
Short-term (within 10 years)	628,548,987.71	624,241,768.95
Total	3,645,837,646.25	3,364,620,210.79

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XII) Construction in progress

Category	31 December 2025	31 December 2024
Construction in progress	861,929,453.62	1,165,017,463.16
Construction materials		
Total	861,929,453.62	1,165,017,463.16

1. Construction in progress

(1) Construction in progress

Item	31 December 2025			31 December 2024		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Cold repair and remodeling project for Phase III in Hefei photovoltaic (合肥光伏三期冷修改造項目)	462,963,250.87		462,963,250.87			
Cold repair and remodeling project for Phase II in Hefei photovoltaic (合肥光伏二期冷修改造項目)	354,500,638.22		354,500,638.22	331,612,929.91		331,612,929.91
Cold repair and remodeling project for Yan'an New Energy Kiln Flue Gas Control (延安新能源冷修改造項目)				806,893,173.31		806,893,173.31
Construction project for specialized industrial natural gas pipeline in Yan'an New Energy (延安新能源產業專用天然氣管線建設項目)	20,952,245.45		20,952,245.45	750,772.18		750,772.18
Other items	23,513,319.08		23,513,319.08	25,760,587.76		25,760,587.76
Total	861,929,453.62		861,929,453.62	1,165,017,463.16		1,165,017,463.16

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XII) Construction in progress (Continued)

2. Movements of significant construction in progress

Name of project	Budgeted amount	31 December 2024	Increase for the period	Amount transferred in fixed Assets for the period	Other decreases for the period	31 December 2025
Total		1,138,506,103.22	623,019,846.27	944,062,060.40		817,463,889.09
Cold repair and remodeling project for phase III in Hefei photovoltaic (合肥光伏三期冷修改造项目)	1,320,090,000.00		463,189,099.93	225,849.06		462,963,250.87
Cold repair and remodeling project for phase II in Hefei photovoltaic (合肥光伏二期冷修改造项目)	480,970,000.00	331,612,929.91	22,887,708.31			354,500,638.22
Cold repair and remodeling project in Yan'an New Energy (延安新能源冷修改造项目)	941,220,000.00	806,893,173.31	136,943,038.03	943,836,211.34		

Name of project	Accumulated investment in project as a percentage of total budget (%)	Project progress (%)	Accumulated amount of interest capitalized	Of which: amount of interest capitalized for the period	Interest capitalized rate for the period (%)	Sources of fund
Total			3,597,729.54	1,975,529.15		
Cold repair and remodeling project for phase III in Hefei photovoltaic (合肥光伏三期冷修改造项目)	35.07	35.07				Self-raised funds
Cold repair and remodeling project for phase II in Hefei photovoltaic (合肥光伏二期冷修改造项目)	73.71	73.71				Self-raised funds
Cold repair and remodeling project in Yan'an New Energy (延安新能源冷修改造项目)	100.61	100.00	3,597,729.54	1,975,529.15	3.45	Self-raised funds and loans from financial institutions

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XII) Construction in progress (Continued)

2. *Movements of significant construction in progress (Continued)*

(2) Testing of provision for impairment of construction in progress

Recoverable amount determined based on the present value of expected future cash flows

Project	Carrying amount (RMB0'000)	Recoverable amount (RMB0'000)	Impairment amount (RMB0'000)	Forecast period	Key parameters during forecast period	Key parameters during stable period	Basis for determining key parameters during stable period
Jiangxi Photovoltaic fixed assets and construction in progress asset group	156,995.06	182,700.00		6 years	Future cash flows, discount rate	Future cash flows, discount rate	Future cash flows: determined based on management's annual business plan and expectations of future market development. Discount rate: reflects the current market time value of money and the rate of return for specific risks of the relevant asset group.
Hefei Photovoltaic fixed assets and construction in progress asset group	181,617.24	182,400.00		8 years	Future cash flows, discount rate	Future cash flows, discount rate	Future cash flows: determined based on management's annual business plan and expectations of future market development. Discount rate: reflects the current market time value of money and the rate of return for specific risks of the relevant asset group.
Yan'an New Energy fixed assets and construction in progress asset group	98,746.30	99,100.00		7 years	Future cash flows, discount rate	Future cash flows, discount rate	Future cash flows: determined based on management's annual business plan and expectations of future market development. Discount rate: reflects the current market time value of money and the rate of return for specific risks of the relevant asset group.
Xianyang Photovoltaic fixed assets and construction in progress asset group	13,415.93	16,269.00		15 years	Future cash flows, discount rate	Future cash flows, discount rate	Future cash flows: determined based on management's annual business plan and expectations of future market development. Discount rate: reflects the current market time value of money and the rate of return for specific risks of the relevant asset group.
Total	450,774.53	480,469.00					

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XIII) Right-of-use assets

Item	Buildings and structures	Machinery and equipment	Total
I. Original carrying amount			
1. 31 December 2024	347,100,577.94	11,412,145.42	358,512,723.36
2. Increase for the period			
3. Decrease for the period			
4. Balance as at 31 December 2025	347,100,577.94	11,412,145.42	358,512,723.36
II. Accumulated depreciation			
1. 31 December 2024	62,391,379.50		62,391,379.50
2. Increase for the period	45,503,123.48	3,804,048.48	49,307,171.96
(1) Provision	45,503,123.48	3,804,048.48	49,307,171.96
3. Decrease for the period			
4. Balance as at 31 December 2025	107,894,502.98	3,804,048.48	111,698,551.46
III. Provision for impairment			
1. 31 December 2024			
2. Increase for the period			
3. Decrease for the period			
4. Balance as at 31 December 2025			
IV. Carrying amount			
1. 31 December 2025	239,206,074.96	7,608,096.94	246,814,171.90
2. 31 December 2024	284,709,198.44	11,412,145.42	296,121,343.86

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XIV) Intangible assets

Item	Land use rights	Software	Total
I. Original carrying amount			
1. 31 December 2024	210,324,156.20	4,820,313.04	215,144,469.24
2. Increase for the period	1,380,200.00		1,380,200.00
(1) Purchase	1,380,200.00		1,380,200.00
3. Decrease for the period			
4. 31 December 2025	211,704,356.20	4,820,313.04	216,524,669.24
II. Accumulated depreciation			
1. 31 December 2024	47,709,081.57	3,978,754.90	51,687,836.47
2. Increase for the period	4,231,192.35	289,261.12	4,520,453.47
(1) Provision	4,231,192.35	289,261.12	4,520,453.47
3. Decrease for the period			
4. 31 December 2025	51,940,273.92	4,268,016.02	56,208,289.94
III. Provision for impairment			
1. 31 December 2024			
2. Increase for the period			
3. Decrease for the period			
4. 31 December 2025			
IV. Carrying amount			
1. 31 December 2025	159,764,082.28	552,297.02	160,316,379.30
2. 31 December 2024	162,615,074.63	841,558.14	163,456,632.77

Details of fixed assets of which title of certificates had not been obtained as at 31 December 2025

Item	Carrying amount	Reasons for having not obtained the title of certificates
Land use rights	1,373,299.00	Under application
Total	1,373,299.00	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XV) Long-term deferred expenses

Category	31 December 2024	Increase for the period	Amortisation for the period	Other decreases	31 December 2025
Building and other renovation projects	20,941,940.11	4,265,541.13	6,053,536.80		19,153,944.44
Equipment modification item	2,186,410.76	193,600.00	589,214.08		1,790,796.68
High reliability backup power supply for 10 kV power supply	309,551.97		309,551.97		
Other items	151,024.82		51,779.88		99,244.94
Total	23,588,927.66	4,459,141.13	7,004,082.73		21,043,986.06

(XVI) Deferred income tax assets and deferred income tax liabilities

1. *Deferred income tax assets and deferred income tax liabilities which are not offset*

Item	31 December 2025		31 December 2024	
	Deferred income tax assets/liabilities	Deductible/ Taxable temporary differences	Deferred income tax assets/liabilities	Deductible/ Taxable temporary differences
Deferred income tax assets:				
Provision for asset impairment				
Recognition of deferred income tax assets for leases	36,039,932.41	240,266,216.09	43,109,079.97	287,393,866.42
Deductible losses			437,173.54	2,914,490.26
Subtotal	36,039,932.41	240,266,216.09	43,546,253.51	290,308,356.68
Deferred income tax liabilities:				
Recognition of deferred income tax liabilities for leases	37,022,125.79	246,814,171.90	44,418,334.72	296,122,231.47
Subtotal	37,022,125.79	246,814,171.90	44,418,334.72	296,122,231.47

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XVI) Deferred income tax assets and deferred income tax liabilities (Continued)

2. *Deferred income tax assets and deferred income tax liabilities presented on a net basis after offsetting*

Item	31 December 2025		31 December 2024	
	Amount of offsetting between deferred income tax assets and liabilities at the end of period	The balance of deferred income tax assets or liabilities after offsetting at the end of period	Amount of offsetting between deferred income tax assets and liabilities at the beginning of the period	The balance of deferred income tax assets or liabilities after offsetting at the beginning of the period
Deferred income tax assets	36,039,932.41		43,109,079.97	437,173.54
Deferred income tax liabilities	36,039,932.41	982,193.38	43,109,079.97	1,309,254.75

3. *Breakdown of unrecognised deferred income tax assets*

Item	31 December 2025	31 December 2024
Deductible temporary differences	404,886,080.30	363,219,591.25
Deductible losses	1,336,444,847.17	806,606,387.22
Total	1,741,330,927.47	1,169,825,978.47

4. *Deductible losses that are not recognised as deferred income tax assets will expire in the following years*

Year	31 December 2025	31 December 2024	Remarks
2026	188,930,958.39	188,930,958.39	
2027	228,568,905.70	228,568,905.70	
2028 and subsequent years	918,944,983.08	389,106,523.13	
Total	1,336,444,847.17	806,606,387.22	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XVII) Other non-current assets

Item	31 December 2025			31 December 2024		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Fixed deposit receipt	200,000,000.00		200,000,000.00	250,277,777.78		250,277,777.78
Prepayment for equipment				8,365,240.46		8,365,240.46
Total	200,000,000.00		200,000,000.00	258,643,018.24		258,643,018.24

(XVIII) Assets with restricted ownerships or right to use

Item	31 December 2025				31 December 2024			
	Book balance	Carry amount	Restricted type	Restricted situation	Book balance	Carry amount	Restricted type	Restricted situation
Accounts receivable	40,450,000.00	40,450,000.00	Accounts Receivable from Easy Funding (融易达) business	Restricted				
Monetary funds	53,344,911.22	53,344,911.22	Notes and margins	Restricted	51,089,568.00	51,089,568.00	Notes and margins, pledged time deposit	Restricted
Bills receivable	687,241,688.15	687,241,688.15	Pledged notes, endorsed but not matured	Restricted	687,944,023.41	687,944,023.41	Pledged notes, endorsed but not matured	Restricted
Receivables financing	40,619,751.10	40,619,751.10	Pledged notes	Restricted	140,145,632.14	140,145,632.14	Pledged notes	Restricted
Non-current assets due within 1 year	50,277,777.78	50,277,777.78	Pledged time deposit	Restricted				
Fixed assets	1,377,301,410.07	1,377,301,410.07	Secured borrowings	Restricted	1,139,915,201.73	1,139,915,201.73		
Other non-current assets	200,000,000.00	200,000,000.00	Pledged time deposit	Restricted	250,277,777.78	250,277,777.78	Pledged time deposit	Restricted
Total	2,449,235,538.32	2,449,235,538.32			2,269,372,203.06	2,269,372,203.06		

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XIX) Short-term borrowings

1. *Categories of short-term borrowings*

Conditions of borrowing	31 December 2025	31 December 2024
Guaranteed borrowings	1,177,124,584.97	10,000,000.00
Credit borrowings	1,359,166,734.48	2,498,390,612.71
Total	2,536,291,319.45	2,508,390,612.71

(XX) Bills payables

Item	31 December 2025	31 December 2024
Bank acceptance bills	472,943,983.50	498,477,824.98
Total	472,943,983.50	498,477,824.98

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXI) Trade payables

1. Trade payables shown by aging

Item	31 December 2025	31 December 2024
Within 1 year (inclusive)	356,962,270.69	392,428,005.34
1 to 2 years (inclusive)	134,805,881.41	158,044,762.98
2 to 3 years (inclusive)	78,342,686.99	40,232,243.94
Over 3 years	16,582,533.39	11,995,181.14
Total	586,693,372.48	602,700,193.40

Note: The aging of trade payables is shown by aging based on the recording date.

2. Significant trade payables aged over 1 year or overdue

Creditors	Balances as at 31 December 2025	Reasons for outstanding or non-carried forward
Qinhuangdao Tucheng Glass Technology Co., Ltd. (秦皇島圖成玻璃技術有限公司)	22,367,787.59	Not settled
Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd. (陝西彩虹工業智能科技有限公司)	14,494,391.86	Not settled
Anhui Yinrui Intelligent Technology Co., Ltd. (安徽銀銳智能科技股份有限公司)	13,699,851.34	Not settled
Luoyang Mountain Intelligent Equipment Co., Ltd. (洛陽名特智能設備股份有限公司)	12,632,743.36	Not settled
Total	63,194,774.15	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXI) Trade payables (Continued)

3. Trade payables by nature

Item	31 December 2025	31 December 2024
Payables for equipment	251,172,015.25	340,785,943.61
Payables for materials	242,409,216.29	171,456,992.50
Payables for transportation	51,287,553.85	38,082,431.24
Payables for construction	9,483,665.26	27,966,291.54
Payables for services	32,200,294.72	23,778,811.38
Others	140,627.11	629,723.13
Total	586,693,372.48	602,700,193.40

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXII) Receipts in advance

1. *Receipts in advance shown by aging*

Item	31 December 2025	31 December 2024
Within 1 year (inclusive)	184,798.18	28,578.39
Total	184,798.18	28,578.39

(XXIII) Contract liabilities

1. *Categories of contract liabilities*

Item	31 December 2025	31 December 2024
Payment for goods	1,328,167.07	2,311,780.52
Total	1,328,167.07	2,311,780.52

Note: The Company accounts for the advance payment from customers for goods based on goods sales contracts as contract liabilities, and the same contract liabilities are recognised as sales revenue when the control of the goods is transferred to the customer. 69.53% of the advance payment from customers for goods at the beginning of the year have all been recognised as revenue in the current year, and the contract liabilities at the end of the period are expected to be recognised as revenue in 2026.

Notes to the Financial Statements for 2025

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXIV) Employee benefits payable

1. *Categories of employee benefits payable is shown as follows*

Item	31 December 2024	Increase for the period	Decrease for the period	31 December 2025
Short-term benefits	19,584,387.59	242,031,913.80	245,373,809.11	16,242,492.28
Post-employment benefits – defined contribution scheme		24,867,901.82	24,867,901.82	
Termination benefits	76,952.46	9,072,799.55	9,149,752.01	
Total	19,661,340.05	275,972,615.17	279,391,462.94	16,242,492.28

2. *Short-term benefits is shown as follows*

Item	31 December 2024	Increase for the period	Decrease for the period	31 December 2025
Salaries, bonuses, allowance and subsidies	17,380,610.15	190,105,466.72	192,925,547.84	14,560,529.03
Staff welfare	228,919.19	16,449,846.10	16,678,765.29	
Social insurance		12,042,565.58	12,042,565.58	
Including: Medical insurance		10,197,476.03	10,197,476.03	
Work-related injury insurance		1,485,086.29	1,485,086.29	
Maternity insurance		360,003.26	360,003.26	
Housing provident fund	190,430.00	15,315,131.12	15,505,561.12	
Labour union expenses and employee education expenses	1,531,050.01	4,171,657.79	4,246,537.40	1,456,170.40
Other short-term benefits	253,378.24	3,947,246.49	3,974,831.88	225,792.85
Total	19,584,387.59	242,031,913.80	245,373,809.11	16,242,492.28

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXIV) Employee benefits payable (Continued)

3. *Defined contribution scheme is shown as follows*

Item	31 December 2024	Increase for the period	Decrease for the period	31 December 2025
Basic pension insurance		23,997,880.07	23,997,880.07	
Unemployment insurance		870,021.75	870,021.75	
Total		24,867,901.82	24,867,901.82	

(XXV) Taxes payable

Tax item	31 December 2025	31 December 2024
Enterprise income tax		
Real estate tax	2,294,054.46	2,269,831.16
Value-added tax	1,585,734.12	976,820.17
Land use tax	825,697.35	819,627.00
Stamp duty	880,164.80	653,196.61
Individual income tax	687,198.84	883,168.66
Water conservancy construction funds	389,819.34	223,237.54
Urban maintenance and construction tax	285,551.92	677,775.55
Education surcharge	39,173.57	6,013.93
Other tax	183,249.48	267,178.69
Total	7,170,643.88	6,776,849.31

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXVI) Other payables

Item	31 December 2025	31 December 2024
Interest payable		
Dividends payable		
Other payables	32,687,269.66	39,836,814.75
Total	32,687,269.66	39,836,814.75

1. *Other payables*

(1) Payables classified by nature

Item	31 December 2025	31 December 2024
Retention money and deposits	17,138,152.24	18,132,611.84
Advances on behalf	5,394,339.08	4,744,189.08
Subsidies payable	4,977,039.53	7,926,303.86
Property lease fee		5,581,385.39
Current accounts	508,833.72	1,163,504.44
Others	4,668,905.09	2,288,820.14
Total	32,687,269.66	39,836,814.75

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXVI) Other payables (Continued)

1. *Other payables (Continued)*

(2) Other major payables aged more than one year or overdue

Name of unit	Balance as at 31 December 2025	Reasons for outstanding or non- carried forward
Anhui Zishuo Environmental Technology Co., Ltd. (安徽紫朔環境工程技術有限公司)	2,960,000.00	Not settled
Qinhuangdao Tucheng Glass Technology Co., Ltd. (秦皇島圖成玻璃技術有限公司)	2,514,000.00	Not settled
Total	5,474,000.00	–

(XXVII) Non-current liabilities due within one year

Item	31 December 2025	31 December 2024
Long-term loans due within one year	554,552,462.25	904,920,142.91
Long-term payables due within one year		976,423.62
Lease liabilities due within one year	46,169,659.87	45,491,786.92
Total	600,722,122.12	951,388,353.45

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXVII) Non-current liabilities due within one year (Continued)

Explanations on long-term loans due within one year:

Guaranteed loans:

Lender	31 December 2025	Guarantor
Bank of Beijing Co., Ltd. Xi'an Weiyang Road Sub-branch (北京銀行股份有限公司西安未央路支行)	1,578,537.55	IRICO Group New Energy Company Limited (彩虹集團新能源股份有限公司)
Total	1,578,537.55	

Secured loan:

Lender	31 December 2025	Collateral
China Construction Bank Corporation Shangrao Branch (中國建設銀行股份有限公司上饒市分行)	148,504,173.61	Fixed assets
Shanghai Pudong Development Bank Co., Ltd. Shangrao Branch (上海浦東發展銀行股份有限公司上饒分行)	21,851,895.83	Fixed assets
Total	170,356,069.44	

Note 1: The remaining long-term borrowings due within one year of RMB382.6179 million are credit borrowings.

Note 2: The Guarantor is the Company, which guarantees its subsidiaries.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXVIII) Other current liabilities

Item	31 December 2025	31 December 2024
Bills endorsement	634,069,379.05	648,324,356.04
Pending VAT output	172,495.65	300,371.41
Total	634,241,874.70	648,624,727.45

(XXIX) Long-term borrowings

Item	31 December 2025	31 December 2024	Interest rate range
Pledged borrowings	712,946,069.44	608,531,768.89	2.85%
Guaranteed borrowings	81,675,996.99	77,734,501.96	3.15%
Credit borrowings	1,999,117,855.26	1,867,625,455.06	2.25%-3.00%
Subtotal	2,793,739,921.69	2,553,891,725.91	
Less: Long-term borrowings due within one year	554,552,462.25	904,920,142.91	
Total	2,239,187,459.44	1,648,971,583.00	

Explanations on classification of long-term borrowings:

Guaranteed borrowings:

Lender	31 December 2025	Guarantor
Bank of Beijing Co., Ltd. Xi'an Weiyang Road Sub-branch (北京銀行股份有限公司西安未央路支行)	80,097,459.44	IRICO Group New Energy Company Limited (彩虹集團新能源股份有限公司)
Total	80,097,459.44	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXIX) Long-term borrowings (Continued)

Secured loan:

Lender	31 December 2025	Collateral
China Construction Bank Corporation Shangrao Branch (中國建設銀行股份有限公司上饒市分行)	381,000,000.00	Fixed assets
Shanghai Pudong Development Bank Co., Ltd. Shangrao Branch (上海浦東發展銀行股份有限公司上饒分行)	161,590,000.00	Fixed assets
Total	542,590,000.00	

Note: The Guarantor is the Company, which guarantees its subsidiaries.

(XXX) Lease liabilities

Item	31 December 2025	31 December 2024
Lease payments	272,798,990.05	325,055,819.58
Less: Unrecognized financing expenses	23,806,579.11	33,262,238.55
Less: Lease liabilities due within one year	46,169,659.87	45,491,786.92
Total	202,822,751.07	246,301,794.11

The following is the maturity analysis for lease liabilities which is based on undiscounted remaining contractual obligations:

Item	31 December 2025	31 December 2024
Within 1 year	48,024,290.54	54,947,446.35
1 to 2 years	54,087,869.40	47,981,080.20
2 to 3 years	53,374,845.08	54,087,869.40
3 to 4 years	51,338,117.52	50,727,438.60
4 to 5 years	32,386,526.91	51,338,117.52
Over 5 years	33,587,340.60	65,973,867.51
Total	272,798,990.05	325,055,819.58

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXXI) Deferred income

Item	31 December 2024	Increase for the period	Decrease for the period of	31 December 2025	Source
Government grants	124,010,934.00	52,572,000.00	36,427,862.73	140,155,071.27	Appropriation
Total	124,010,934.00	52,572,000.00	36,427,862.73	140,155,071.27	

Projects involving government grants:

Item	31 December 2024	New grants during the period	Amount included in other income during the period	Other changes	31 December 2025	Related to assets/related to income
Government industrial support fund	57,166,929.28	1,600,000.00	1,837,905.68		56,929,023.60	Related to assets
Equipment subsidy	34,540,416.70	34,000,000.00	14,650,966.75		53,889,449.95	Related to assets
Industrial development fund	18,253,921.34	3,472,000.00	5,207,656.96		16,518,264.38	Related to assets
Rental subsidy	13,771,333.34		13,771,333.34			Related to assets
Others	278,333.34	13,500,000.00	960,000.00		12,818,333.34	Related to assets
Total	124,010,934.00	52,572,000.00	36,427,862.73		140,155,071.27	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXXII) Share capital

Item	31 December 2024	Issue of new shares	Increase/(decrease)(+,-) for the period			Subtotal	31 December 2025
			Bonus issue	Shares transferred from reserve	Others		
Total shares	176,322,070.00					176,322,070.00	

(XXXIII) Capital reserve

Item	31 December 2024	Increase for the period	Decrease for the period	31 December 2025
Capital premium (share premium)	546,968,390.11			546,968,390.11
Other capital reserve	3,734,191,984.53			3,734,191,984.53
Total	4,281,160,374.64			4,281,160,374.64

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXXIV) Other comprehensive income

Item	31 December 2024	Amount before income tax for the period	Amount for the period		Less: Income tax	Attributable to the parent company after tax	Attributable to minority interests after tax	31 December 2025
			Less: Amount transferred to profit or loss for the period for those previously included in other comprehensive income	Less: Amount transferred to retained profit for the period for those previously included in other comprehensive income				
I. Other comprehensive income that will not be reclassified to profit or loss	-80,308,435.53	-74,434,573.63			-74,434,573.63			-154,743,009.16
Including: Changes in fair value of investments in other equity instruments	-80,308,435.53	-74,434,573.63			-74,434,573.63			-154,743,009.16
Total other comprehensive income	-80,308,435.53	-74,434,573.63			-74,434,573.63			-154,743,009.16

(XXXV) Surplus reserve

Item	31 December 2024	Increase for the period	Decrease for the period	31 December 2025
Statutory surplus reserve	22,477,267.06			22,477,267.06
Total	22,477,267.06			22,477,267.06

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXXVI) Undistributed profits

Item	2025	2024
Undistributed profits at the previous period before adjustment	-2,923,171,081.15	-2,547,217,266.54
Adjustment for undistributed profits at beginning of period ("+" for plus; "-" for less)		
Undistributed profits at beginning of period after adjustment	-2,923,171,081.15	-2,547,217,266.54
Add: Net profit attributable to owners of the parent company during the period	-560,340,048.06	-375,953,814.61
Less: Withdrawal of statutory surplus reserves		
Undistributed profits at end of period	-3,483,511,129.21	-2,923,171,081.15

(XXXVII) Operating revenue and operating costs

1. Information on operating revenue and operating costs

Item	2025		2024	
	Revenue	Costs	Revenue	Costs
Principal businesses	2,868,290,908.49	3,138,078,277.71	3,246,365,419.77	3,365,704,904.13
Other businesses	36,761,746.99	12,479,588.06	29,854,668.04	5,739,186.52
Total	2,905,052,655.48	3,150,557,865.77	3,276,220,087.81	3,371,444,090.65

Details of operating revenue:

Item	2025	2024
I. Subtotal from principal businesses	2,868,290,908.49	3,246,365,419.77
Including: Photovoltaic glass	2,868,290,908.49	3,246,365,419.77
II. Subtotal from other businesses	36,761,746.99	29,854,668.04
Including: Revenue from hydropower	22,228,024.12	10,260,308.24
Sales of scrap	6,020,796.48	11,698,403.11
Others	8,512,926.39	7,895,956.69
Total	2,905,052,655.48	3,276,220,087.81

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXXVII) Operating revenue and operating costs (Continued)

2. Revenue from contract

Category	Solar photovoltaic and module business		Others		Intersegment eliminations		Total	
	Operating revenue	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating costs	Operating revenue	Operating costs
Types of business:								
Revenue from principal businesses	2,868,290,908.49	3,138,078,277.71					2,868,290,908.49	3,138,078,277.71
Revenue from other businesses			36,761,746.99	12,479,588.06			36,761,746.99	12,479,588.06
Total	2,868,290,908.49	3,138,078,277.71	36,761,746.99	12,479,588.06			2,905,052,655.48	3,150,557,865.77
Categorized by transfer time of commodities:								
Recognized by a certain point of time	2,868,290,908.49	3,138,078,277.71	28,249,394.56	8,635,819.05			2,896,540,303.05	3,146,714,096.76
Recognized during a certain period			8,512,352.43	3,843,769.01			8,512,352.43	3,843,769.01
Total	2,868,290,908.49	3,138,078,277.71	36,761,746.99	12,479,588.06			2,905,052,655.48	3,150,557,865.77

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXXVII) Operating revenue and operating costs (Continued)

3. *Revenue from geographical information*

Item	2025	2024
The PRC (excluding Hong Kong)	2,905,052,655.48	3,275,378,522.37
Other countries or regions		841,565.44
Total	2,905,052,655.48	3,276,220,087.81

4. *Explanation about major customers*

In 2025, the Company has three (2024: nil) customer which individually represented over 10% of the Company's total external sales.

The external sales to the major customer during the year are as follows:

Customer	2025	2024
Customer A	312,884,168.95	
Customer B	309,246,914.65	
Customer C	294,235,018.86	
Total	916,366,102.46	

Note: Customer A, Customer B and Customer C was from products of photovoltaic glass industry.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXXVII) Operating revenue and operating costs (Continued)

5. *Description on performance obligation*

When the Company has implemented the performance obligation in the contract, namely, when the customer obtains the right to control relevant assets (goods or services), revenues will be recognized. Whether performance obligations satisfied over time or at a point in time is based on the terms of contracts and related law regulations. The Company satisfies a performance obligation over time, if one of the following criteria is met:

- (1) the customer simultaneously receives and consumes the economic benefits when the Company perform its obligations.
- (2) the customer gains control of an asset as the asset is created or enhanced by the Company in the course of performance.
- (3) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

If the performance obligations satisfied over time, the Company will recognise revenue via contract performance schedule, otherwise the Company shall recognise revenue at a point in time when customer obtains control of relevant asset. Performance schedule is based on the value of the goods that have been transferred to the customer to determine the contract performance schedule.

(XXXVIII) Taxes and surcharges

Item	2025	2024
Real estate tax	9,104,970.81	9,074,895.38
Water conservancy construction funds	4,023,965.24	4,042,106.45
Land use tax	3,284,578.35	3,278,508.00
Urban maintenance and construction tax	19,522.16	1,398,793.22
Education surcharge	327,263.77	1,058,338.11
Stamp duty and others	5,882,890.25	5,737,426.05
Total	22,643,190.58	24,590,067.21

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XXXIX) Selling expenses

Item	2025	2024
Payroll	4,542,640.14	4,085,958.83
Traveling expenses	2,091,135.55	2,565,201.10
Entertainment expenses	278,723.79	440,129.25
Certification test fees		348,451.04
Others	130,273.20	214,516.16
Total	7,042,772.68	7,654,256.38

(XL) Administrative expenses

Item	2025	2024
Payroll	54,794,996.90	40,747,053.33
Depreciation and amortization expense	12,589,259.91	9,977,133.80
Agency expenses	7,336,799.98	4,770,499.94
Loss on suspension of operations	7,001,507.10	
Repair maintenance expenses	3,830,739.01	1,565,689.68
Disabled security fund	3,003,473.63	2,041,153.24
Property rental expenses	2,440,958.29	3,745,510.81
Traveling expenses	2,193,584.12	1,403,770.69
Cleaning expenses	2,128,474.68	2,239,375.45
Property management fees	1,890,386.54	1,829,503.62
Auditors' remuneration	1,858,490.57	1,858,490.57
Office expenses	1,425,175.29	2,220,560.42
Depreciation of right-of-use assets	1,432,411.64	543,100.08
Energy charge	1,386,628.16	797,089.77
Collecting and paying retirement wages	767,040.70	737,960.00
Insurance	687,214.78	603,402.39
Entertainment fees	494,119.62	792,855.67
Others	1,678,649.19	987,575.98
Total	106,939,910.11	76,860,725.44

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XLI) Research and development expenses

Item	2025	2024
Materials costs	43,520,366.86	67,326,968.14
Power expenses	27,546,050.93	28,464,321.14
Payroll	21,200,086.79	22,073,973.32
Depreciation	4,044,133.41	2,524,965.12
Others	550,138.43	419,167.60
Total	96,860,776.42	120,809,395.32

(XLII) Finance costs

Item	2025	2024
Interest costs	161,154,012.39	155,339,443.71
Including: Interest expenses for lease liabilities	9,455,659.44	10,665,994.49
Less: Interest income	9,528,562.21	20,737,808.67
Exchange losses or gains	19,435.71	-6,861.30
Other expense	1,875,931.64	1,807,105.48
Total	153,520,817.53	136,401,879.22

(XLIII) Other incomes

Item	2025	2024
Government grants	92,350,734.31	112,048,434.38
VAT input tax deduction	19,523,695.31	23,842,510.85
Handling fee for withholding individual income tax	53,341.05	42,105.58
Total	111,927,770.67	135,933,050.81

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XLIII) Other incomes (Continued)

Government grants included in other incomes:

Item	2025	2024	Related to assets/income
Rental subsidy	53,527,578.40	60,413,245.06	Related to assets
Equipment subsidy	14,650,966.75	7,479,999.96	Related to assets
Industrial development fund	10,501,710.96	15,691,467.86	Related to assets, related to income
Scientific research subsidy	6,700,950.00	670,729.05	Related to income
Government industrial support fund	4,439,405.68	26,093,697.84	Related to assets, related to income
Employment stabilization subsidy	1,000,622.52	1,084,027.95	Related to income
Others	1,529,500.00	615,266.66	Related to assets, related to income
Total	92,350,734.31	112,048,434.38	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XLIV) Investment gains

Item	2025	2024
Interest income from certificates of deposit	9,999,999.84	9,999,999.84
Investment income from disposal of held-for-trading financial assets	1,281,597.22	4,733.53
Income on debts restructuring	430,741.69	
Bills discounted interest	-1,743,075.87	-2,719,264.50
Investment income of held-for-trading financial assets during the holding period		20,816.72
Total	9,969,262.88	7,306,285.59

(XLV) Gains from changes in fair value

Source of gains from changes in fair value	2025	2024
Held-for-trading financial assets		67,825.70
Including: Financial assets that are measured at fair value through current profit or loss		67,825.70
Total		67,825.70

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XLVI) Credit impairment losses

Item	2025	2024
Credit impairment losses of accounts receivables	-9,243,085.96	2,260,085.63
Credit impairment losses of other receivables	-207,325.80	
Total	-9,450,411.76	2,260,085.63

(XLVII) Asset impairment losses

Item	2025	2024
Losses on impairment of inventories and losses on impairment of contract performance cost	-49,164,265.03	-89,666,199.20
Total	-49,164,265.03	-89,666,199.20

(XLVIII) Gains from disposal of assets

Item	2025	2024
Gains from disposal of non-current assets	3,828,587.52	2,667,399.89
Total	3,828,587.52	2,667,399.89

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(XLIX) Non-operating income

1. *Non-operating income by item*

Item	2025	2024	Amount included in non-recurring profit or loss for the period
Payables that cannot be paid	5,276,722.65	43,148,926.59	5,276,722.65
Gains from liquidated damages	463,659.57	1,381,782.49	463,659.57
Forfeiture and penalty income	18,000.00	67,378.41	18,000.00
Others	9,806.85	3,069.72	9,806.85
Total	5,768,189.07	44,601,157.21	5,768,189.07

(L) Non-operating expenses

Item	2025	2024	Amount included in non-recurring profit or loss for the period
Others	426,500.35	56,710.54	426,500.35
Total	426,500.35	56,710.54	426,500.35

(LI) Income tax expenses

1. *Breakdown of income tax expenses*

Item	2025	2024
Income tax expenses for the current period calculated according to tax law and related regulations	169,891.28	6,758,818.90
Deferred income tax expenses	110,112.17	10,767,564.39
Total	280,003.45	17,526,383.29

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(LI) Income tax expenses (Continued)

2. *Adjustment of accounting profit and income tax expenses for the current period*

Item	Amount
Total profit	-560,060,044.61
Income tax expenses calculated based on the statutory or applicable tax rate	-84,009,006.69
Impact of different applicable tax rates to subsidiaries	
Impact of income tax for the period before adjustment	280,003.45
Tax effect of non-taxable income	
Impact of cost, expenses and losses not deductible for tax	11,260,192.71
Impact of utilization of deductible loss or deductible temporary differences of deferred income tax assets not recognized for the previous period	
Tax effect of deductible temporary differences or deductible loss of unrecognized deferred income tax assets in the current period	87,266,279.96
Others	-14,517,465.98
Income tax expenses	280,003.45

(LII) Statement of cash flows

1. *Cash relating to operating activities*

(1) Cash received relating to other operating activities

Item	2025	2024
Recovery of accounts receivable, deposits and others	44,071,430.83	10,602,494.23
Government subsidies and income tax handling fee refunds received	86,652,168.05	108,394,284.75
Interest income received	9,528,562.21	20,532,235.39
Total	140,252,161.09	139,529,014.37

(2) Cash paid relating to other operating activities

Item	2025	2024
Payment of accounts payable, deposits and others	43,279,353.56	54,533,054.03
Lease and property management fees	7,118,083.17	3,697,815.76
Agency expenses	6,439,788.77	6,735,551.31
Traveling expenses	5,420,746.97	4,950,492.76
Commission and handling fees	4,360,453.33	1,041,982.77
Total	66,618,425.80	70,958,896.63

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(LII) Statement of cash flows (Continued)

2. Cash relating to investing activities

(1) Significant cash received relating to investing activities

Item	2025	2024
Principal recovered from structured deposit	150,000,000.00	
Total	150,000,000.00	

(2) Significant cash paid relating to investing activities

Item	2025	2024
Principal paid for structured deposit	150,000,000.00	
Total	150,000,000.00	

(3) Cash received relating to other investing activities

Item	2025	2024
Long-term asset margins received		275,000.00
Total		275,000.00

(4) Cash paid relating to other investing activities

Item	2025	2024
Long-term asset margins paid		457,667.90
Total		457,667.90

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(LII) Statement of cash flows (Continued)

3. Cash received or paid relating to other financing activities

(1) Cash received relating to other financing activities

Item	2025	2024
Payment of lease liabilities and interest	42,204,307.20	47,993,849.71
Payment of loan from Shangrao Binjiang Investment Co., Ltd.		50,000,000.00
Total	42,204,307.20	97,993,849.71

(2) Changes in liabilities arising from financing activities

Item	31 December 2024	Increase in the period		Decrease in the period		31 December 2025
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	2,508,390,612.71	2,923,379,957.26	48,072,018.12	1,632,351,268.64	1,311,200,000.00	2,536,291,319.45
Accounts payable	1,409,622.64					1,409,622.64
Long-term borrowings	2,553,891,725.91	1,320,597,459.44	86,330,757.27	1,167,080,020.93		2,793,739,921.69
Lease liabilities	325,055,819.58			38,719,547.89	13,537,281.64	272,798,990.05
Total	5,388,747,780.84	4,243,977,416.70	134,402,775.39	2,838,150,837.46	1,324,737,281.64	5,604,239,853.83

Note: The difference of RMB3,484,759.31 from cash paid for other financing activities are respectively due to the VAT portion.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(LIII) Supplementary information on statement of cash flows

1. *Supplementary information on statement of cash flows*

Item	2025	2024
1. Reconciliation of net profit as cash flows from operating activities:		
Net profit	-560,340,048.06	-375,953,814.61
Add: Provision for assets impairment	49,164,265.03	89,666,199.20
Credit impairment losses	9,450,411.76	-2,260,085.63
Depreciation of investment property, depreciation of fixed assets, depreciation of oil and gas assets and depreciation of productive biological assets	285,964,412.30	276,014,784.97
Depreciation of right-of-use assets	49,307,171.96	45,782,115.05
Amortisation of intangible assets	4,520,453.47	4,277,950.10
Amortisation of long-term deferred expenses	7,004,082.73	5,745,369.22
Loss on disposal of fixed assets, intangible assets and other long-term assets ("-" denotes gain)	-3,828,587.52	-2,667,399.89
Loss on retirement of fixed assets ("-" denotes gain)		
Losses from net exposure hedges ("-" denotes gain)		
Loss on changes in fair value ("-" denotes gain)		-67,825.70
Finance expenses ("-" denotes gain)	161,154,012.39	155,339,443.71
Investment losses ("-" denotes gain)	-9,969,262.88	-7,306,285.59
Decrease in deferred income tax assets ("-" denotes increase)	437,173.54	11,263,791.36
Increase in deferred income tax liabilities ("-" denotes decrease)	-327,061.37	-496,226.97
Decrease in inventories ("-" denotes increase)	278,287,394.89	-373,048,372.40
Decrease in operating receivables ("-" denotes increase)	-114,671,156.52	20,555,306.65
Increase in operating payables ("-" denotes decrease)	-214,503,978.25	-360,095,627.58
Others		
Net cash flows from operating activities	-58,350,716.53	-513,250,678.11
2. Major investing and financing activities not involving cash settlements:		
Conversion of debts to capital		
Convertible corporate bonds due within one year		
Leased fixed assets		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	268,984,217.94	372,373,245.52
Less: Opening balance of cash	372,373,245.52	950,634,372.10
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-103,389,027.58	-578,261,126.58

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(LIII) Supplementary information on statement of cash flows (Continued)

2. *Cash and cash equivalents*

Item	31 December 2025	31 December 2024
I. Cash	268,984,217.94	372,373,245.52
Including: Cash on hand		
Bank deposits readily available for payment	268,984,217.94	372,373,245.52
Other monetary funds readily available for payment		
Deposits with the central bank available for payment		
Deposits with banks and other financial institutions		
Loans from banks and other financial institutions		
II. Cash equivalents		
Including: Bond investment due in three months		
III. Closing balance of cash and cash equivalents	268,984,217.94	372,373,245.52
Including: Restricted cash and cash equivalents of the parent company or subsidiaries within the Group		

(LIV) Foreign currency items

1. *Foreign currency items*

Item	31 December 2025	Exchange rate	Closing balance in RMB
Monetary funds	121,771.29	7.0288	855,906.04
Including: USD	121,771.29	7.0288	855,906.04

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(LV) Leases

1. *As lessee*

Item	2025	2024
Simplified short-term lease expenses included in the related cost of assets or current profit and loss	41,861,877.98	
Interest expenses of lease liabilities	9,455,659.44	10,665,994.49
Total cash outflows for leases	42,204,307.20	47,993,849.71

2. *As lessor*

(1) Operating leases

Item	2025	2024
Revenue from operating leases	8,512,352.43	7,888,861.11

Undiscounted leases receipts to be received after balance sheet date:

Remaining lease period	2025	2024
Within 1 year	1,785,540.13	1,737,375.00
Total	1,785,540.13	1,737,375.00

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

V. NOTES TO SIGNIFICANT ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(LVI) Trial sale

Item	2025	2024
Operating revenue		44,251,573.45
Operating costs		45,789,631.9000

(LVII) Supplementary information of income statement by nature of expenses

Operating costs, selling expenses, administrative expenses, research and development expenses and finance costs in income statement classified by nature were as follows:

Item	2025	2024
Materials, fuel and power expenses	2,585,001,205.65	2,831,112,537.66
Depreciation and amortization expenses	346,796,120.46	331,820,219.34
Payroll	256,263,220.14	256,670,275.20
Finance expenses	153,520,817.53	136,401,879.22
Transportation expenses	113,896,869.85	110,957,318.16
Repair maintenance expenses	43,237,677.27	39,542,575.03
Agency expenses	9,204,724.51	6,665,542.40
Loss on shutdown	7,001,507.10	
Total	3,514,922,142.51	3,713,170,347.01

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

VI. Research and development expenditures

(1) Expenses by nature

Item	2025	2024
Materials costs	43,520,366.86	67,326,968.14
Power expenses	27,546,050.93	28,464,321.14
Payroll	21,200,086.79	22,073,973.32
Depreciation	4,044,133.41	2,524,965.12
Others	550,138.43	419,167.60
Total	96,860,776.42	120,809,395.32
Including: Expensed R&D Expenditure	96,860,776.42	120,809,395.32
Capitalized R&D Expenditure		

VII. CHANGES ON SCOPE OF COMBINATION

None.

VIII. INTERESTS IN OTHER ENTITIES

(1) Interests in subsidiaries

1. *Composition of enterprise group*

Name of subsidiary	Principal place of business	Registered capital (RMB0'000)	Place of registration	Nature of business	Shareholding ratio (%)		Method for acquisition
					Direct	Indirect	
Hefei Photovoltaic	Hefei, Anhui	115,000.00	Hefei, Anhui	Photovoltaic glass	100.00		Investment in establishment
Yan'an New Energy	Yan'an, Shaanxi	30,000.00	Yan'an, Shaanxi	Photovoltaic glass	100.00		Investment in establishment
Xianyang Photovoltaic	Xianyang, Shaanxi	6,000.00	Xianyang, Shaanxi	Photovoltaic glass	100.00		Investment in establishment
Jiangxi Photovoltaic	Shangrao, Jiangxi	60,000.00	Shangrao, Jiangxi	Photovoltaic glass	100.00		Investment in establishment

Notes: 1. As of 31 December 2025, none of the subsidiaries issued any debt securities as at the end of the year or at any time during the year.

2. The subsidiaries of the Company are all limited liability companies.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

IX. GOVERNMENT GRANTS

(1) Government grants recognized in the profit or loss during the period

1. *Government grants related to assets*

Items	31 December 2025	Items presented in the balance sheet	Amount recorded in current profit or loss or offsetting relevant costs or losses		Items recorded in current profit or loss or offsetting relevant costs or losses
			2025	2024	
Government industrial support fund	56,929,023.60	Deferred income	1,837,905.68	1,550,697.84	Other income
Equipment subsidy	53,889,449.95	Deferred income	14,650,966.75	7,479,999.96	Other income
Industrial development fund	16,518,264.38	Deferred income	5,207,656.96	2,864,667.86	Other income
Rental subsidy	12,818,333.34	Deferred income	53,527,578.40	60,413,245.06	Other income
Others	12,818,333.34	Deferred income	960,000.00	21,666.66	Other income
Total	140,155,071.27		76,184,107.79	72,330,277.38	

2. *Income-related government grants*

Items	Amount	Amount recorded in current profit or loss or offsetting relevant costs or losses		Project recorded in current profit or loss or offsetting relevant costs or losses
		2025	2024	
Government industrial support fund	27,144,500.00	2,601,500.00	24,543,000.00	Other income
Industrial development fund	18,120,854.00	5,294,054.00	12,826,800.00	Other income
Scientific research subsidy	7,371,679.05	6,700,950.00	670,729.05	Other income
Employment stabilization subsidy	2,084,650.47	1,000,622.52	1,084,027.95	Other income
Others	1,163,100.00	569,500.00	593,600.00	Other income
Total	55,884,783.52	16,166,626.52	39,718,157.00	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

IX. GOVERNMENT GRANTS (Continued)

(II) Liabilities involving government subsidies

Items of the financial statements	31 December 2024	Additional subsidies for the period	Amount included in non-operating income for the period	Transfer to other income for the period	Other changes for the period	31 December 2025	Related to assets/revenue
Deferred income	124,010,934.00	52,572,000.00		36,427,862.73		140,155,071.27	Related to assets
Total	124,010,934.00	52,572,000.00		36,427,862.73		140,155,071.27	-

X. RISK RELATING TO FINANCIAL INSTRUMENTS

(I) Risk of financial instruments

The Company is confronted with various financial risks in its operation: credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and other price risk). The above financial risks and the risk management policies adopted by the Company to minimize such risks are listed as follows:

The overall objective of the Company's risk management is to develop a risk management policy that minimizes risks with undue impact on the Company's competitiveness and resilience.

1. *Credit risk*

Credit risk refers to the risk that transaction counterparty fails to perform its obligations under the contract and causes financial losses to the Company.

The Company's credit risk mainly arises from cash at bank and on hand, bills receivable, trade receivables, receivables financing, other receivables, etc. as well as the investment in debt instruments at fair value through profit or loss that are not included in the impairment assessment scope.

The Company's cash at bank and on hand is mainly cash at bank deposited at state-owned banks and other large and medium-sized listed banks with good reputation and a higher credit rating. The Company considers that there is no significant credit risk and will rarely cause significant losses due to default by the banks.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

X. RISK RELATING TO FINANCIAL INSTRUMENTS (Continued)

(I) Risk of financial instruments (Continued)

1. *Credit risk (Continued)*

In addition, the Company develops relevant policies to limit the credit risk exposure on bills receivable, trade receivables, receivables financing, contract assets and other receivables, etc. The Company assesses the credit quality of and sets respective credit periods on its customers by considering their financial position, the availability of guarantee from third parties, their credit record and other factors such as current market conditions. The Company regularly monitors the credit record of the customers. For customers with a poor credit history, the Company will issue written demand to them, or shorten or cancel the credit periods, so as to ensure the overall credit risk of the Company is limited to a controllable extent.

2. *Liquidity risk*

Liquidity risk is the risk that an enterprise may encounter deficiency of funds in meeting obligations settled with cash or other financial assets delivery.

The Company's policy is to ensure it has sufficient cash to settle the debts when they fall due. The Company's finance department conducts centralized control over liquidity risk. Through monitoring cash balance, readily realizable marketable securities and the rolling forecasts for cash flow for the next 12 months, the finance department will ensure it has sufficient fund to settle its debts under all reasonable foreseeable circumstances. Meanwhile, it continued to monitor whether the Company is in line with the requirements of borrowing agreements, and obtain the undertakings to provide sufficient reserve funds from major financial institutions, so as to meet its short-term and long-term capital needs.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

X. RISK RELATING TO FINANCIAL INSTRUMENTS (Continued)

(1) Risk of financial instruments (Continued)

2. Liquidity risk (Continued)

(1) The financial liabilities of the Company are analysed by their maturity date below at their undiscounted contractual cash flows:

Items	31 December 2025			Total undiscounted contract amount	Carrying value
	Within 1 year	1-5 years	Over 5 years		
Short-term borrowings	2,535,239,957.26			2,535,239,957.26	2,536,291,319.45
Bills payable	472,943,983.50			472,943,983.50	472,943,983.50
Accounts payable	356,962,270.69	229,731,101.79		586,693,372.48	586,693,372.48
Other payables	10,141,578.98	22,545,690.68		32,687,269.66	32,687,269.66
Non-current liabilities due within one year	602,576,752.79			602,576,752.79	600,722,122.12
Other current liabilities	634,241,874.70			634,241,874.70	634,241,874.70
Long-term borrowings		2,173,560,000.00	65,627,459.44	2,239,187,459.44	2,239,187,459.44
Lease liabilities		191,187,358.91	33,587,340.60	224,774,699.51	202,822,751.07
Total	4,612,106,417.92	2,617,024,151.38	99,214,800.04	7,328,345,369.34	7,305,590,152.42

Items	31 December 2024			Total undiscounted contract amount	Carrying value
	Within 1 year	1-5 years	Over 5 years		
Short-term borrowings	2,507,559,326.18			2,507,559,326.18	2,508,390,612.71
Bills payable	498,477,824.98			498,477,824.98	498,477,824.98
Accounts payable	392,428,005.34	210,272,188.06		602,700,193.40	602,700,193.40
Other payables	13,663,363.46	26,173,451.29		39,836,814.75	39,836,814.75
Non-current liabilities due within one year	957,922,715.24			957,922,715.24	951,388,353.45
Other current liabilities	648,624,727.45			648,624,727.45	648,624,727.45
Long-term borrowings		1,575,275,069.46	73,696,513.54	1,648,971,583.00	1,648,971,583.00
Lease liabilities		210,851,973.84	59,256,399.39	270,108,373.23	246,301,794.11
Total	5,018,675,962.65	2,022,572,682.65	132,952,912.93	7,174,201,558.23	7,144,691,903.85

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

X. RISK RELATING TO FINANCIAL INSTRUMENTS (Continued)

(1) Risk of financial instruments (Continued)

2. *Liquidity risk (Continued)*

(2) The repayment periods of bank borrowings and other finance are analyzed as follows:

Item	31 December 2025		31 December 2024	
	Bank borrowings	Other finance	Bank borrowings	Other finance
Within 1 year	3,087,349,957.26	48,024,290.54	3,410,002,826.18	54,947,446.35
1-2 years	1,029,107,500.00	54,087,869.40	521,751,553.86	54,087,869.40
2-5 years	1,144,452,500.00	137,099,489.51	1,053,523,515.60	156,764,104.44
Over 5 years	65,627,459.44	33,587,340.60	73,696,513.54	59,256,399.39
Total	5,326,537,416.70	272,798,990.05	5,058,974,409.18	325,055,819.58

3. *Market risk*

Market risk of financial instruments is the risk of fluctuation in the fair value of financial instruments or future cash flow arising from changes in market price. Market risk includes exchange rate risk, interest rate risk and other price risk.

(1) Interest rate risk

Interest rate risk is the risk of fluctuation in the fair value of financial instruments or future cash flow arising from changes in market interest rate.

Interest-bearing financial instruments at fixed rates and at floating rates expose the Company to fair value interest risk and cash flow interest rate risk, respectively. The Company determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate instruments. The Company will adopt interest rate swap instruments to hedge interest rate risk when necessary.

As at 31 December 2025, if other variables remain constant and the borrowing rate calculated at floating interest rates increases or decreases by 100 basis points, the Company's net profit will decrease or increase by RMB41,998,000 (31 December 2024: RMB72,637,000). The management believes that 100 basis points reasonably reflect the reasonable range of possible changes in interest rates in the next year.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

X. RISK RELATING TO FINANCIAL INSTRUMENTS (Continued)

(1) Risk of financial instruments (Continued)

3. *Market risk (Continued)*

(2) Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company may consider entering into forward exchange contract or currency swap contract to mitigate the foreign exchange risk. During the period and the previous period, the Company has not entered into any forward exchange contract or currency swap contract.

The exchange rate risk faced by the Company mainly arises from financial assets and financial liabilities denominated in US dollars and Euro. The amount of the financial assets and financial liabilities in foreign currencies converted into RMB is as follows:

Item	31 December 2025			31 December 2024		
	US dollars	Other foreign currency	Total	US dollars	Other foreign currency	Total
Monetary funds	121,771.29		121,771.29	121,781.78		121,781.78
Total	121,771.29		121,771.29	121,781.78		121,781.78

As at 31 December 2025, a 5% increase or decrease in RMB against USD, with all other variables held constant, would have increased or decreased the net profit of the Company by RMB42,795.30 (31 December 2024: RMB5,594.76). The management considers that the 5% reasonably reflected the reasonable range of the possible change in Renminbi against USD for the next year.

(3) Other price risk

Other price risk is the risk of fluctuation in the fair value of financial instruments or future cash flow arising from changes in market price other than exchange rate risk and interest rate risk.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XI. FAIR VALUE

Inputs used in the fair value measurement are divided into three levels:

Level 1 inputs refer to quoted prices (unadjusted) in active markets for identical assets or liabilities available on the measurement date.

Level 2 inputs refer to inputs that are directly or indirectly observable for the relevant assets or liabilities other than Level 1 inputs.

Level 3 inputs refer to unobservable inputs of the relevant assets or liabilities.

Levels of the results of fair value measurement are decided by the lowest level of great significance in fair value measurement as a whole.

(I) Analysis of assets and liabilities measured at fair value by level of fair value hierarchy

Items	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuing fair value measurement				
(II) Receivables financing			57,957,822.73	57,957,822.73
(III) Investment in other equity instruments	229,588,117.77		99,046,617.20	328,634,734.97

(II) Basis for determining the market price of items persistently and non- persistently measured at fair value at the first level

The Company's investments in equity instruments which are persistently measured at level 1 fair value at the end of the period are publicly issued shares, and the fair value at the end of the period represents the share price as at 31 December 2025, with fair value adjustment based on the share price at the end of the year. The other investments in equity instruments measured at level 1 fair value are publicly issued shares of IRICO Display Devices Co., Ltd. held by the Company not for short-term trading, and the fair value at the end of the period represents the share price as at 31 December 2025.

(III) Valuation techniques used and the qualitative and quantitative information of key parameters for items persistently and non-persistently measured at fair value at the third level

- Other investments in equity instruments held by the Company which are measured at level 3 fair value represent 7.2953% equity interest in Shaanxi IRICO Electronics Glass Co., Ltd., which is an unlisted company. According to Zhong Tian Hua Zi Bao Zi (2026) No. 2054 issued by Beijing Zhong Tian Hua Asset Appraisal Company Limited, the valuation reference date is 31 December 2025, the estimates are made using the net asset basis method and fair values are recognised based on appraisals.
- Receivables financing held by the Company which are measured at level 3 fair value is bill receivable. The fair value of the receivables financing is determined using discounted cash flow methodology, which is equal to the book value.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XI. FAIR VALUE (Continued)

(IV) Adjustment information and sensitivity analysis of unobservable parameters between the carrying amount at the beginning of the period and the end of the period for items persistently measured at fair value at the third level

1. Adjustment information of items persistently measured at fair value at the third level

Item	31 December 2024	Transfers into level 3	Transfers out of level 3	Total gains or losses recognized in the period		Purchase, issue, selling and settlement				31 December 2025	For assets held at the end of the Reporting Period, the gains or changes are not realised in the current period of profit or loss	
				In profits and losses	In other comprehensive income	Purchase	Issue	Selling	Settlement			
Receivables financing	423,850,829.11					1,259,217,340.98		1,625,110,347.36			57,957,822.73	
Other investments in equity instruments	112,281,276.54				-13,234,659.34						99,046,617.20	
Total	536,132,105.65				-13,234,659.34	1,259,217,340.98		1,625,110,347.36			157,004,439.93	
Including: Profit and loss related to financial assets												
Profit and loss related to non-financial assets												

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

(I) Information on the parent company of the Company

Name of the parent company	Place of registration	Nature of Business	Registered Capital (RMB'000)	Percentage of shareholding in the Company held by the parent company (%)	Percentage of voting rights in the Company held by the parent company (%)
IRICO Group Company Limited* (彩虹集團有限公司)	Beijing	Production and sales of electronic components	251,716.70	34.43	34.43

Notes:

IRICO Group Company Limited* (the "IRICO Group") directly holds 30.15% of the shares of the Company; Rui Bou Electronics (HK) Limited (the "Rui Bou Electronics") is a wholly-owned subsidiary of IRICO Group Corporation Limited*, holding 4.28% of the shares of the Company. IRICO Group directly and indirectly holds 34.43% of the shares of the Company.

Xianyang Zhongdian IRICO Group Holdings Ltd.* (the "Zhongdian IRICO") is directly held as to 72.08% by China Electronics Corporation (the "CEC") and as to 27.92% by IRICO Group, holding 14.30% of the shares of the Company.

CEC Capital Investment (中電金投控股有限公司) (the "CEC Capital Investment"), a wholly-owned subsidiary of CEC, holds 26.17% of the shares of the Company.

CEC (place of registration: Beijing, the PRC), through IRICO Group, Zhongdian IRICO, Rui Bou Electronics and CEC Capital Investment, holds 74.90% of the shares of the Company in aggregate, and is the ultimate controlling party of the Company.

(II) Information on the subsidiaries of the Company

Please refer to Note "VIII. Interests in other entities" for details.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(III) Information on other related parties

Name of other related parties	Relationship with the Company
Zhongdian IRICO (中電彩虹)	Shareholder of the Company
IRICO Group (彩虹集團)	Shareholder of the Company
CEC Capital Investment (中電金投)	Shareholder of the Company
Xianyang IRICO Green Energy Co., Ltd. (咸陽彩虹綠色能源有限公司)	Same parent company
Hefei IRICO Epilight Industry Co., Ltd. (合肥彩虹藍光實業有限公司)	Under the same ultimate control party
Anhui Hongchen New Materials Technology Co., Ltd. (安徽虹宸新材料科技有限公司)	Under the same ultimate control party
China Electronics Financial Co., Ltd. (中國電子財務有限責任公司)	Under the same ultimate control party
China Elec-Trans International Service Ltd. (中電國際物流(北京)有限公司)	Under the same ultimate control party
Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd. (陝西彩虹工業智能科技有限公司)	Under the same ultimate control party
Xianyang IRICO Electronic Accessories Co., Ltd. (咸陽彩虹電子配件有限公司)	Under the same ultimate control party
CEC Caihong Intelligent Lighting Technology Co., Ltd.* (中電彩虹智慧照明科技有限公司)	Under the same ultimate control party
Nanjing Zhongdian Panda Property Management Co., Ltd. (南京中電熊貓物業管理有限公司)	Under the same ultimate control party
Xi'an IRICO Information Co., Ltd. (西安彩虹資訊有限公司)	Under the same ultimate control party
CEC Jiutian Intelligent Technology Co., Ltd.* (中電九天智能科技有限公司)	Under the same ultimate control party
China Electronics System Engineering No. 3 Construction Co., Ltd.* (中國電子系統工程第三建設有限公司)	Under the same ultimate control party
China Electronics Commerce (Beijing) Co., Ltd. (中電商務(北京)有限公司)	Under the same ultimate control party
Nanjing Panda Electronics Equipment Co., Ltd. (南京熊貓電子裝備有限公司)	Under the same ultimate control party
Hanzhong IRICO Jiarunze Mining Co., Ltd.* (漢中彩虹佳潤澤礦業有限公司)	Other related relationship
IRICO Group (Shaoyang) Special Glass Co., Ltd. (彩虹集團(邵陽)特種玻璃有限公司)	Other related relationship
Xianyang China Electronics Western Zhigu Industrial Co., Ltd.* (咸陽中電西部智谷實業有限公司)	Other related relationship
IRICO (Hefei) LCD Glass Co., Ltd. (彩虹(合肥)液晶玻璃有限公司)	Other related relationship
Shaanxi Rainbow Industrial Services Co., Ltd. (陝西彩虹工業服務有限公司)	Other related relationship
Wuhan Lidao Technology Co., Ltd.* (武漢麗島科技有限公司)	Other related relationship
Wuhan Lidao Property Management Co., Ltd.* (武漢麗島物業管理有限公司)	Other related relationship

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(IV) Related party transactions

1. Related party transactions for purchase and sales of goods/provision and receipt of services

Name of related parties	Transaction Type	Transaction Content	Non-exempt connected transactions/ continuing connected transactions under Chapter 14A of the Listing Rules (if constituted)	2025	Whether exceeding the transaction threshold (if applicable)	2024
Purchase of goods and receipt of services:						
Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd. (陝西彩虹工業智能科技有限 公司)	Purchase of goods/ Receipt of services	Purchase of goods/ Receipt of services	Zhongdian IRICO Master Purchase Agreement	17,408,655.56	No	19,487,552.96
Xianyang IRICO Green Energy Co., Ltd. (咸陽彩虹綠色能源 有限公司)	Purchase of goods/ Receipt of services	Purchase of goods/ Receipt of services	IRICO Group Master Purchase Agreement	14,448,060.86	No	848,419.82
Anhui Hongchen New Materials Technology Co., Ltd. (安徽虹宸 新材料科技有限公司)	Purchase of goods	Purchase of goods	IRICO Group Master Purchase Agreement	12,761,719.51	No	29,782,266.21
IRICO (Hefei) LCD Glass Co., Ltd. (彩虹(合肥)液晶玻璃有限公司)	Purchase of goods	Purchase of goods/ Receipt of services		430,761.48	No	
Wuhan Lidao Technology Co., Ltd. (武漢麗島科技有限公司) (Note1)	Receipt of services	Receipt of services	CEOVU Master Purchase Agreement	2,857,265.91	No	
Hefei IRICO Epilight Industry Co., Ltd. (合肥彩虹藍光實業有限 公司)	Purchase of goods	Purchase of goods	IRICO Group Master Purchase Agreement	37,103.71	No	41,158,217.32
Nanjing Panda Electronics Equipment Co., Ltd. (南京熊猫 电子装备有限公司) (Note2)	Purchase of goods	Purchase of goods	Jiangxi Photovoltaic Purchase Agreement		No	7,123,893.81
CEC International Logistics (Beijing) Co., Ltd. (中電國際 物流(北京)有限公司)	Receipt of services	Receipt of services	Master Transportation Services Agreement	173,899.04	No	1,181,275.07
Nanjing Zhongdian Panda Property Management Co., Ltd. (南京 中電熊猫物業管理有限公司)	Receipt of services	Receipt of services		448,599.97	No	492,245.83
IRICO Group (彩虹集團)	Purchase of goods	Purchase of goods	IRICO Group Master Purchase Agreement	1,670,745.10	No	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(IV) Related party transactions (Continued)

1. Related party transactions for purchase and sales of goods/provision and receipt of services (Continued)

Name of related parties	Transaction Type	Transaction Content	Non-exempt connected transactions/ continuing connected transactions under Chapter 14A of the Listing Rules (if constituted)	2025	Whether exceeding the transaction threshold (if applicable)	2024
CEC Caihong Intelligent Lighting Technology Co., Ltd. (中電彩虹智慧照明科技有限公司)	Purchase of goods	Purchase of goods	IRICO Group Master Purchase Agreement		No	337,168.14
Xianyang China Electronics Western Zhigu Industrial Co., Ltd. (咸陽中電西部智谷實業有限公司)	Purchase of goods	Purchase of goods		107,684.66	No	336,476.13
Wuhan Lidao Property Management Co., Ltd. Xianyang Branch (武漢麗島物業管理有限公司咸陽分公司)	Receipt of services	Receipt of services		117,858.35	No	90,210.47
China Electronics Commerce (Beijing) Co., Ltd. (中電商務(北京)有限公司)	Purchase of goods	Purchase of goods		209.89	No	27,098.69
Subtotal				50,462,564.04		100,864,824.45
Sales of goods, provision of services:						
IRICO (Hefei) LCD Glass Co., Ltd. (彩虹(合肥)液晶玻璃有限公司)	Sale of goods	Sale of goods		16,174,657.82	No	875,945.20
Hefei IRICO Epilight Industry Co., Ltd. (合肥彩虹藍光實業有限公司)	Sale of goods	Sale of goods	IRICO Group Master Sale Agreement	681,088.69	No	4,498,700.00
Subtotal				16,855,746.51		5,374,645.20

Note 1: This transaction relates to the previous continuing connected transaction.

Note 1: The transaction corresponds to the procurement contract between Nanjing Panda Electronics Equipment Co., Ltd. and Jiangxi IRICO Photovoltaic Co., Ltd. signed on 30 October 2023. Although concluded in 2023, acceptance under this contract was completed in 2024, and therefore it is presented in the 2024 financial statements.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(IV) Related party transactions (Continued)

2. *Leasing with related parties*

The Company as the lessor:

Name of lessee	Type of leased assets	Non-exempt connected transactions/ continuing connected transactions under Chapter 14A of the Listing Rules (if constituted)	2025	2024
IRICO (Hefei) LCD Glass Co., Ltd. (彩虹(合肥)液晶玻璃有限公司)	Plants		7,214,242.80	7,170,253.53
Xianyang IRICO Green Energy Co., Ltd. (咸陽彩虹綠色能源有限公司)	Premises		9,447.05	
Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd. (陝西彩虹工業智能科技有限公司)	Buildings		16,055.05	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(IV) Related party transactions (Continued)

2. Leasing with related parties (Continued)

The Company as the lessee:

Name of lessor	Type of leased assets	Non-exempt connected transactions/ continuing connected transactions under Chapter 14A of the Listing Rules (if constituted)	2025				2024				
			Simplified short-term lease and low-value assets lease expense	Variable lease payments not included in lease liabilities	Rental paid	Interest expenses on lease liability assumed	Simplified short-term lease and low value assets lease expense	Variable lease payments not included in lease liabilities	Rental paid	Interest expenses on lease liability assumed	Increase of right of use assets
Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd. (陝西彩虹工業智能科技有限公司)	Machinery and equipment	Power Supply and Distribution			1,323,703.24	274,236.92			887.61	11,412,145.42	
Xianyang China Electronics Western Zhigu Industrial Co., Ltd.* (咸陽中電西部智谷實業有限公司)	Office		23,387.38		889,839.60	580.82		840,799.82	33,349.99	1,091,969.29	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(IV) Related party transactions (Continued)

3. *Guarantee with related parties*

(1) The Company as a guarantor

Guaranteed party	Amount of guarantee	Commencement date	Maturity date	Whether the guarantee has been executed
Hefei Photovoltaic (合肥光伏)	40,000,000.00	2022.10.12	2031.9.20	No
Hefei Photovoltaic (合肥光伏)	35,675,619.71	2022.12.26	2031.9.20	No
Hefei Photovoltaic (合肥光伏)	13,545,689.62	2023.3.6	2031.9.20	No
Hefei Photovoltaic (合肥光伏)	10,160,859.46	2023.4.14	2031.9.20	No
Hefei Photovoltaic (合肥光伏)	26,311,763.90	2023.8.23	2031.9.20	No
Yan'an New Energy (延安新能源)	200,000,000.00	2021.12.17	2028.12.17	No
Yan'an New Energy (延安新能源)	196,000,000.00	2022.12.8	2029.12.8	No
Yan'an New Energy (延安新能源)	70,000,000.00	2025.5.29	2043.5.21	No
Yan'an New Energy (延安新能源)	9,647,459.44	2025.11.4	2043.6.20	No
Yan'an New Energy (延安新能源)	1,950,000.00	2025.8.22	2043.6.21	No
Xianyang Photovoltaic (咸陽光伏)	79,611,291.70	2022.3.30	2031.3.29	No

Note : For the above amount of guarantee, RMB601,305,224.39 has been repaid to the bank by the guaranteed party.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(IV) Related party transactions (Continued)

3. *Guarantee with related parties(Continued)*

(2) The Company as a guaranteed party

Guarantor	Amount of guarantee	Commencement date	Maturity date	Whether the guarantee has been executed
IRICO Group (彩虹集團)	150,000,000.00	2022.4.29	2026.3.20	No
Zhongdian IRICO (中電彩虹)	150,000,000.00	2022.4.5	2026.4.24	No
IRICO Group (彩虹集團)	100,000,000.00	2022.4.1	2026.3.31	No
IRICO Group (彩虹集團)	60,000,000.00	2022.3.11	2026.3.31	No

Note: All of the above amounts of guarantee have been repaid to the bank by the guarantor.

4. *Remuneration of key management personnel*

Item	2025	2024
Remuneration of key management personnel	4,720,227.81	4,102,263.79

During the period, the number of key management personnel of the Company, including executives, directors, supervisors, and others, totaled 17, of which 14 received remuneration in the Company.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(IV) Related party transactions (Continued)

4. Remuneration of key management personnel (Continued)

2025:

Name	Position	Fees	Salary and allowance	Performance bonus	Pension insurance	Other	Total
Yang Hua (Notes 1)	Chairlady, Executive Director						
Ma Zhibin (Notes 2)	Executive Director, General Manager		100,940.00	396,000.00	14,880.00	17,966.20	529,786.20
Gao Feng'an (Notes 3)	Executive Director, General Manager		278,148.00	262,811.00	52,848.00	72,818.34	666,625.34
Fang Zhongxi (Note 1)	Non-Executive Director						
Wang Dong (Note 1 and 4)	Non-Executive Director						
Su Kun	Independent Non-Executive Director	100,000.00					100,000.00
Li Yong	Independent Non-Executive Director	100,000.00					100,000.00
Hao Meiping	Independent Non-Executive Director	100,000.00					100,000.00
Wu Wenchao	Deputy General Manager		226,640.00	297,000.00	44,640.00	53,796.60	622,076.60
Ni Huadong	Deputy General Manager, Company Secretary		214,640.00	270,000.00	44,640.00	53,796.60	583,076.60
Huang Weihong (Note 5)	Chief Financial Officer		75,740.00	270,000.00	10,941.60	13,450.92	370,132.52
Li Yunpu (Note 6)	Chief Financial Officer		164,215.00		33,480.00	40,258.95	237,953.95
Niu Xinchun	Secretary to the Board		201,308.00	226,958.00	44,640.00	53,796.60	526,702.60
Yao Rui (Note 7)	Employee Director		214,640.00	90,000.00	44,640.00	53,796.60	403,076.60
Luo Hongwei (Note 8)	Employee Representative Supervisor		102,418.00	185,099.00	29,760.00	30,220.40	347,497.40
Jiang A'he (Note 9)	Independent Supervisor	66,650.00					66,650.00
Huang Zhen (Note 10)	Independent Supervisor	66,650.00					66,650.00

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(IV) Related party transactions (Continued)

4. *Remuneration of key management personnel (Continued)*

Notes:

1. Ms. Yang Hua, Mr. Fang Zhongxi, Mr. Wang Dong, key management personnel, do not receive remuneration in the Company. No other directors or supervisors waived or agreed to waive any emoluments. The Company does not pay directors or supervisors any amount as an incentive to join the Company or as compensation for loss of office.
2. Mr. Ma Zhibin has ceased to be the Executive Director and General Manager of the Company since 29 April 2025.
3. Mr. Gao Feng'an has served as the Deputy General Manager of the Company since 29 April 2024, and has served as Executive Director of the Company since 29 May 2025.
4. Mr. Wang Dong has ceased to be a Non-executive Director since 15 October 2025.
5. Mr. Huang Weihong has ceased to be the Chief Financial Officer of the Company since 13 May 2024.
6. Mr. Li Yunpu has served as the Chief Financial Officer of the Company since 27 March 2025.
7. Mr. Yao Rui has served as the Employee Director of the Company since 15 October 2025, and has ceased to be a Employee Representative Supervisor of the Company since 15 October 2025.
8. Mr. Luo Hongwei has ceased to be a Employee Representative Supervisor of the Company since 15 October 2025.
9. Mr. Jiang A'he has ceased to be a Independent Supervisor of the Company since 15 October 2025.
10. Mr. Huang Zhen has ceased to be a Independent Supervisor of the Company since 15 October 2025.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(IV) Related party transactions (Continued)

4. *Remuneration of key management personnel (Continued)*

2024:

Name	Position	Fees	Salary and allowance	Performance bonus	Pension insurance	Other	Total
Yang Hua (Notes 1)	Chairlady, Executive Director						
Ma Zhibin	General Manager, Executive Director		293,140.00	363,000.00	43,766.40	50,654.28	750,560.68
Fang Zhongxi (Note 1)	Non-Executive Director						
Wang Dong (Note 1)	Non-Executive Director						
Su Kun	Independent Non-Executive Director	100,000.00					100,000.00
Li Yong	Independent Non-Executive Director	100,000.00					100,000.00
Hao Meiping	Independent Non-Executive Director	100,000.00					100,000.00
Wu Wenchao	Deputy General Manager		227,140.00	297,000.00	43,766.40	50,654.28	618,560.68
Ni Huadong	Deputy General Manager, Company Secretary		215,140.00	270,000.00	43,766.40	50,654.28	579,560.68
Huang Weihong (Note 2)	Chief Financial Officer, Secretary to the Board		223,340.00	270,000.00	43,766.40	50,654.28	587,760.68
Gao Feng'an (Note 3)	Deputy General Manager		200,535.00		35,668.35	50,885.37	287,088.72
Niu Xinchun (Note 4)	Secretary to the Board		122,385.00		25,530.40	30,405.83	178,321.23
Chen Xiaoning (Note 1 and 5)	Shareholder Representative Supervisor, Chairman of the Supervisory Committee						
Zhao Lefei (Note 6)	Shareholder Representative Supervisor, Chairman of the Supervisory Committee			270,000.00			270,000.00
Zhang Li (Note 7)	Employee Representative Supervisor			201,874.00			201,874.00
Yao Rui (Note 8)	Employee Representative Supervisor		17,905.00		3,647.20	4,392.69	25,944.89
Luo Hongwei (Note 9)	Employee Representative Supervisor		86,656.00		25,530.40	30,405.83	142,592.23
Jiang A'he	Independent Supervisor	80,000.00					80,000.00
Huang Zhen	Independent Supervisor	80,000.00					80,000.00

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(IV) Related party transactions (Continued)

4. *Remuneration of key management personnel (Continued)*

Notes:

1. Ms. Yang Hua, Mr. Fang Zhongxi, Mr. Wang Dong and Mr. Chen Xiaoning, key management personnel, do not receive remuneration in the Company. No other directors or supervisors waived or agreed to waive any emoluments. The Company does not pay directors or supervisors any amount as an incentive to join the Company or as compensation for loss of office.
2. Mr. Huang Weihong has ceased to be the Secretary to the Board of the Company since 13 May 2024.
3. Mr. Gao Feng'an has served as a Deputy General Manager of the Company since 19 March 2024.
4. Mr. Niu Xinchun has served as the Secretary to the Board of the Company since 13 May 2024.
5. Mr. Chen Xiaoning has ceased to serve as a Shareholder Representative Supervisor and the Chairman of the Supervisory Committee of the Company since 13 May 2024.
6. Mr. Zhao Lefei has ceased to serve as an Employee Representative Supervisor of the Company since 13 May 2024, and has served as a Shareholder Representative Supervisor and the Chairman of the Supervisory Committee of the Company since 6 June 2024.
7. Ms. Zhang Li ceased to serve as an Employee Representative Supervisor of the Company since 12 November 2024.
8. Mr. Yao Rui has served as an Employee Representative Supervisor of the Company since 12 November 2024.
9. Mr. Luo Hongwei has served as an Employee Representative Supervisor of the Company since 13 May 2024.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(IV) Related party transactions (Continued)

4. *Remuneration of key management personnel (Continued)*

Remuneration of the top five highest paid individuals:

The five individuals whose remuneration were the highest in the Company for 2025 include 2 directors (2024: one). The aggregate of the remuneration in respect of the other 3 (2024: 4) individuals during the year is as follows:

Unit: RMB0'000

Item	2025	2024
Wages and subsidies	156.92	207.30
Performance bonus		
Pension scheme contributions		
Others		
Total	156.92	207.30

Remuneration Bands	Number	
	2025	2024
HK\$0–HK\$1,000,000.00	5	5
Over HK\$1,000,000.00	0	0

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(IV) Related party transactions (Continued)

5. Other related party transactions

(1) Licensing of trademarks

The Company and IRICO Group entered into the Trademark License Contract between IRICO Group Company Limited and IRICO Group New Energy Company Limited, pursuant to which, IRICO Group has granted the right to use a total of 9 trademarks registered with the Trademark Office of China National Intellectual Property Administration, namely “992031”, “925645”, “992157”, “1028194”, “1080189”, “40566212”, “40558599”, “40551476” and “40565399”, free of charge to the Company and its subsidiaries for a term commencing from 1 January 2018 to 31 December 2028. Pursuant to the agreement between the Company and IRICO Group, IRICO Group may license the above trademarks to third parties not engaged in the business of photovoltaic glass, and IRICO Group shall not continue to use or license the licensed trademarks to third parties in the field of photovoltaic glass. Within 3 months before the expiry of the above agreement, the Company shall apply for renewal in writing, and the agreement shall be automatically extended for another 10 years.

(2) Deposit and loan with China Electronics Financial Co., Ltd.

Related party	Subject	Non-exempt connected transactions/continuing connected transactions under Chapter 14A of the Listing Rules (if constituted)	31 December 2025/2025
China Electronics Financial Co., Ltd. (中國電子財務有限責任公司)	Bank deposit	Comprehensive Financial Cooperation Agreement	12,929,054.72
China Electronics Financial Co., Ltd. (中國電子財務有限責任公司)	Short-term borrowings	Comprehensive Financial Cooperation Agreement	200,168,055.53
China Electronics Financial Co., Ltd. (中國電子財務有限責任公司)	Payments of interest	Comprehensive Financial Cooperation Agreement	4,536,666.65
China Electronics Financial Co., Ltd. (中國電子財務有限責任公司)	Receipts from interest	Comprehensive Financial Cooperation Agreement	51,631.47

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(IV) Related party transactions (Continued)

5. Other related party transactions (Continued)

(2) Deposit and loan with China Electronics Financial Co., Ltd. (Continued)

The related party transactions specifically identified in the sections above titled “1. Related party transactions for purchase and sales of goods/provision and receipt of services”, “2. Leasing with related parties” and “5. Other related party transactions” as constituting non-exempt connected transactions/continuing connected transactions under Chapter 14A of the Listing Rules have complied with the relevant provisions under Chapter 14A of the Listing Rules, including but not limited to announcements, annual reviews and independent shareholders’ approval (where applicable). All other related party transactions do not constitute connected transactions/continuing connected transactions under Chapter 14A of the Listing Rules, or, although they may constitute such transactions, are fully exempted therefrom.

(V) Receivables from and payables to related parties

1. Receivables from related parties

Item	Related Party	31 December 2025		31 December 2024	
		Book balance	Allowance for bad debts	Book balance	Allowance for bad debts
Monetary funds	China Electronics Financial Co., Ltd. (中國電子財務有限責任公司)	12,929,054.72			
Trade receivables	IRICO (Hefei) LCD Glass Co., Ltd. (彩虹(合肥)液晶玻璃有限公司)	2,764,350.00			
Trade receivables	Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd. (陝西彩虹工業智能科技有限公司)	16,055.05			
Other receivables	Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd. (陝西彩虹工業智能科技有限公司)	15,750.00		15,750.00	
Prepayments	Wuhan Lidao Property Management Co., Ltd.* (武漢麗島物業管理有限公司)	13,174.03		34,383.92	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(V) Receivables from and payables to related parties (Continued)

2. Payables to related parties

Item	Related Party	31 December 2025	31 December 2024
Short-term borrowings	China Electronics Financial Co., Ltd. (中國電子財務有限責任公司)	200,168,055.53	
Accounts payable	Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd. (陝西彩虹工業智能科技有限公司)	27,597,317.53	30,902,320.53
Accounts payable	Anhui Hongchen New Materials Technology Co., Ltd. (安徽虹宸新材料科技有限公司)	2,695,858.00	6,334,986.45
Accounts payable	IRICO Group (彩虹集團)	2,004,061.29	3,600,630.19
Accounts payable	Nanjing Panda Electronics Equipment Co., Ltd.* (南京熊猫電子裝備有限公司)	3,561,946.89	3,561,946.89
Accounts payable	Hefei IRICO Epilight Industry Co., Ltd. (合肥彩虹藍光實業有限公司)		1,638,878.71
Accounts payable	Xianyang IRICO Electronic Accessories Co., Ltd. (咸陽彩虹電子配件有限公司)		827,705.60
Accounts payable	China Electronics System Engineering No. 3 Construction Co., Ltd.* (中國電子系統工程第三建設有限公司)	795,288.00	795,288.00
Accounts payable	China Elec-Trans International Service Ltd. (中電國際物流(北京)有限公司)	375,162.17	689,135.14
Accounts payable	CEC Caihong Intelligent Lighting Technology Co., Ltd.* (中電彩虹智慧照明科技有限公司)	183,316.81	337,168.14
Accounts payable	CEC Jiutian Intelligent Technology Co., Ltd.* (中電九天智能科技有限公司)	108,000.00	108,000.00
Accounts payable	Xianyang IRICO Green Energy Co., Ltd. (咸陽彩虹綠色能源有限公司)	12,333,266.52	74,925.00
Accounts payable	Hanzhong IRICO Jiarunze Mining Co., Ltd* (漢中彩虹佳潤澤礦業有限公司)	73,201.40	73,201.40
Accounts payable	Xianyang China Electronics Western Zhigu Industrial Co., Ltd.* (咸陽中電西部智谷實業有限公司)	23,387.38	
Bills payable	Anhui Hongchen New Materials Technology Co., Ltd.* (安徽虹宸新材料科技有限公司)		2,581,000.00
Other payables	Zhongdian IRICO (中電彩虹)		5,581,385.39
Other payables	Shaanxi Rainbow Industrial Intelligent Technology Co., Ltd.* (陝西彩虹工業智能科技有限公司)	13,000.00	4,068,000.00
Other payables	Xi'an IRICO Information Co., Ltd. (西安彩虹資訊有限公司)	1,259,314.14	1,259,314.14
Other payables	China Elec-Trans International Service Ltd. (中電國際物流(北京)有限公司)	200,000.00	400,000.00
Other payables	China Electronics System Engineering No. 3 Construction Co., Ltd.* (中國電子系統工程第三建設有限公司)	51,310.00	51,310.00
Other payables	Hefei IRICO Epilight Industry Co., Ltd. (合肥彩虹藍光實業有限公司)		30,000.00
Other payables	Nanjing Zhongdian Panda Property Management Co., Ltd. (南京中電熊猫物業管理有限公司)	10,000.00	10,000.00

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XII. RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(VI) Centralized Fund Management

1. *Funds transferred by the Company to the Group*

Funds deposited directly into Finance Company by the Company which are not transferred to the accounts of the Group's parent company

Item	31 December 2025		31 December 2024	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Monetary funds	12,929,054.72			
Total	12,929,054.72			
Including: Cash withdrawal restricted due to centralized fund management				

2. *Funds borrowed by the Company from the parent company or member companies of the Group*

Item	31 December 2025	31 December 2024
Other payables	1,259,314.14	1,259,314.14
Total	1,259,314.14	1,259,314.14

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XIII. COMMITMENTS AND CONTINGENCIES

(I) Commitments

Unit: RMB'000

Project	Contractual investment	Investment recognized	Investment not recognized
Yan'an Photovoltaic Glass Project	94,122.00	94,383.62	-261.62
Xianyang Photovoltaic Glass Project	19,715.00	16,675.83	3,039.17
Hefei photovoltaic glass project	180,106.00	81,768.97	98,337.03
Jiangxi Shangrao Glass Project	303,289.00	184,232.35	119,056.65
Total	597,232.00	377,060.77	220,171.23

(II) Contingencies

The Group had no contingencies required to be disclosed.

XIV. POST BALANCE SHEET EVENTS

Pursuant to the profit distribution plan for the year 2025 approved at the Board meeting held on 25 March 2026, the Company will not distribute any dividend for the year 2025.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XV. OTHER SIGNIFICANT EVENTS

(I) Segment report

Due to the highly integrated business and unified internal organizational structure, in terms of technology and marketing strategy, the management of the Company does not separately manage operating activities and there are no reportable segments.

(II) Capital management

Item	31 December 2025	31 December 2024
Total liability	7,471,653,518.48	7,298,790,640.87
Less: cash and cash equivalents	268,984,217.94	372,373,245.52
Adjusted net liability	7,202,669,300.54	6,926,417,395.35
Shareholders' equity	841,705,573.33	1,476,480,195.02
Adjusted capital	841,705,573.33	1,476,480,195.02
Adjusted liability/capital ratio	8.56	4.69

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS

(I) Trade receivables

1. Disclosed by aging

Aging	31 December 2025	31 December 2024
Within 1 year		
Including: 0–6 months (inclusive)	1,244,626,226.47	974,018,315.14
7–12 months (inclusive)	103,316,323.03	296,655,162.22
Subtotal for within 1 year	1,347,942,549.50	1,270,673,477.36
1–2 years (inclusive)	268,428,788.07	
2–3 years (inclusive)		
Over 3 years	5,020,981.83	5,020,981.83
Subtotal	1,621,392,319.40	1,275,694,459.19
Less: provision for bad debts	14,282,686.81	5,039,600.85
Total	1,607,109,632.59	1,270,654,858.34

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

(1) Trade receivables (Continued)

2. Disclosed according to the method of provision for bad debts

Category	Book balance		31 December 2025		Carrying amount
	Amount	Proportion (%)	Allowance for bad debts		
			Amount	Appropriation proportion (%)	
Trade receivables with allowance for bad debts made on individual basis					
Trade receivables that are subject to allowance for bad debts on group basis	1,621,392,319.40	100.00	14,282,686.81	0.88	1,607,109,632.59
Including: By aging	1,177,969,186.36	72.65	14,282,686.81	1.21	1,163,686,499.55
By low credit risk portfolio	443,423,133.04	27.35			443,423,133.04
Total	1,621,392,319.40	100.00	14,282,686.81	0.88	1,607,109,632.59

Category	Book balance		31 December 2024		Carrying amount
	Amount	Proportion (%)	Allowance for bad debts		
			Amount	Appropriation proportion (%)	
Trade receivables with allowance for bad debts made on individual basis					
Trade receivables that are subject to allowance for bad debts on group basis	1,275,694,459.19	100.00	5,039,600.85	0.40	1,270,654,858.34
Including: By aging	575,479,162.62	45.11	5,039,600.85	0.88	570,439,561.77
By low credit risk portfolio	700,215,296.57	54.89			700,215,296.57
Total	1,275,694,459.19	100.00	5,039,600.85	0.40	1,270,654,858.34

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

(I) Trade receivables (Continued)

2. Disclosed according to the method of provision for bad debts (Continued)

(1) Accounts receivables that are subject to provision for bad debts on credit risk characteristics

① Group 1: by aging

Aging	31 December 2025			31 December 2024		
	Book balance	Provision for bad debts	Provision ratio (%)	Book balance	Provision for bad debts	Provision ratio (%)
0-6 months (inclusive)	1,045,372,486.53			568,596,278.67		
7-12 months (inclusive)	100,037,966.94	1,000,379.67	1.00	1,861,902.12	18,619.02	1.00
1-2 years (inclusive)	27,537,751.06	8,261,325.31	30.00			
2-3 years (inclusive)						
Over 3 years	5,020,981.83	5,020,981.83	100.00	5,020,981.83	5,020,981.83	100.00
Total	1,177,969,186.36	14,282,686.81	1.21	575,479,162.62	5,039,600.85	0.88

② Group 2: low credit risk portfolio

Portfolio	31 December 2025			31 December 2024		
	Book balance	Provision for bad debts	Provision ratio (%)	Book balance	Provision for bad debts	Provision ratio (%)
Low credit risk portfolio	443,423,133.04			700,215,296.57		
Total	443,423,133.04			700,215,296.57		

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

(I) Trade receivables (Continued)

3. Allowances for bad debts

Category	31 December 2024	Provision	Changes during the period		Other changes	31 December 2025
			Recovered or reversed	Written off		
Trade receivables that are subject to allowance for bad debts on group basis	5,039,600.85	9,243,085.96				14,282,686.81
Including: By aging	5,039,600.85	9,243,085.96				14,282,686.81
Total	5,039,600.85	9,243,085.96				14,282,686.81

4. Top five trade receivables and contract assets according to closing balance of debtors

Name	Closing balance of trade receivables	Closing balance of contract assets	Closing balance of trade receivables and contract assets	Percentage of total closing balance of trade receivables and contract assets (%)	Closing balance of allowance for bad debts
Zhejiang Aikosolar Technology Co., Ltd. (浙江愛旭太陽能科技有限公司)	191,904,387.25		191,904,387.25	11.84	
Funing GCL Integration Technology Co., Ltd.* (阜寧協鑫集成科技有限公司)	104,314,635.51		104,314,635.51	6.43	
Hefei GCL System Integration Solar Technology Co., Ltd. (合肥協鑫集成光能科技有限公司)	94,526,581.16		94,526,581.16	5.83	174,151.09
Hefei GCL System Integration New Energy Technology Co., Ltd. (合肥協鑫集成新能源科技有限公司)	93,706,428.01		93,706,428.01	5.78	
DAS Solar Co., Ltd. (一道新能源科技股份有限公司)	86,611,673.03		86,611,673.03	5.34	4,535,409.17
Total	379,159,317.71		379,159,317.71	23.38	4,709,560.26

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

(II) Other receivables

Item	31 December 2025	31 December 2024
Interest receivable		
Dividends receivable	33,115,000.00	
Other receivables	184,785,283.65	102,414,981.55
Total	217,900,283.65	102,414,981.55

1. *Dividends receivable*

(1) Classification of dividends receivable

Item (or investee)	31 December 2025	31 December 2024
Xianyang Photovoltaic	33,115,000.00	
Total	33,115,000.00	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

(II) Other receivables (Continued)

2. Other receivables

(1) Disclosed by aging

Aging	31 December 2025	31 December 2024
Within 1 year		
Including: 0–6 months (inclusive)	27,420,833.32	38,609,704.08
7–12 months (inclusive)	54,969,468.78	62,262,496.31
Subtotal for within 1 year	82,390,302.10	100,872,200.39
1–2 years (inclusive)	100,872,200.39	20,000.00
2–3 years (inclusive)		
Over 3 years	1,522,781.16	1,522,781.16
Subtotal	184,785,283.65	102,414,981.55
Less: provision for bad debts		
Total	184,785,283.65	102,414,981.55

(2) Disclosure by nature of amount

Nature	31 December 2025	31 December 2024
By trading receivables and other receivables	183,262,502.49	100,872,200.39
By deposits, margins and reserves	1,522,781.16	1,542,781.16
Subtotal	184,785,283.65	102,414,981.55
Less: provision for bad debts		
Total	184,785,283.65	102,414,981.55

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

(II) Other receivables (Continued)

2. Other receivables (Continued)

(3) Disclosed according to the method of provision for bad debts

Category	Book balance		31 December 2025 Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Other receivables with allowance for bad debts on individual basis					
Other receivables with allowance for bad debts is made on group basis	184,785,283.65	100.00			184,785,283.65
Including: Low credit risk portfolio	183,262,502.49	99.18			183,262,502.49
Deposits, margins and reserves	1,522,781.16	0.82			1,522,781.16
Total	184,785,283.65	100.00			184,785,283.65

Category	Book balance		31 December 2024 Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Other receivables with allowance for bad debts on individual basis					
Other receivables with allowance for bad debts is made on group basis	102,414,981.55	100.00			102,414,981.55
Including: Low credit risk portfolio	100,872,200.39	98.49			100,872,200.39
Deposits, margins and reserves	1,542,781.16	1.51			1,542,781.16
Total	102,414,981.55	100.00			102,414,981.55

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

(II) Other receivables (Continued)

2. Other receivables (Continued)

(3) Disclosed according to the method of provision for bad debts (Continued)

Other receivables for which provision for bad debts is made according to the combination of credit risk characteristics

① Group 1: low credit risk portfolio

Portfolio	31 December 2025			31 December 2024		
	Book balance	Allowance for bad debts	Appropriation proportion (%)	Book balance	Allowance for bad debts	Appropriation proportion (%)
Low credit risk portfolio	183,262,502.49		100,872,200.39			
Total	183,262,502.49		100,872,200.39			

② Group 2: deposits, margins and reserves

Portfolio	31 December 2025			31 December 2024		
	Book balance	Allowance for bad debts	Appropriation proportion (%)	Book balance	Allowance for bad debts	Appropriation proportion (%)
Deposits, margins and reserves	1,522,781.16		1,542,781.16			
Total	1,522,781.16		1,542,781.16			

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

(II) Other receivables (Continued)

2. Other receivables (Continued)

(4) Change in book balance

Book Balance	Stage I ECL for the following 12 months	Stage II Lifetime ECL (without credit impairment)	Stage III Lifetime ECL (with credit impairment)	Total
Balance at 31 December 2024	102,414,981.55			102,414,981.55
Balance at 31 December 2024 during the period				
- Transferred to Stage II				
- Transferred to Stage III				
- Reversed to Stage II				
- Reversed to Stage I				
Addition in the period	237,921,116.45			237,921,116.45
Derecognition in the period	155,550,814.35			155,550,814.35
Other changes				
Balance at 31 December 2025	184,785,283.65			184,785,283.65

(5) Top five other trade receivables according to closing balance of debtors

The total amount of top five other account receivables according to closing balance of other receivables amounted to RMB184,785,283.65, accounted for 100.00% of the total closing balance of other receivables.

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

(III) Long-term equity investments

Items	31 December 2025			31 December 2024		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investment in subsidiaries	2,500,000,000.00	405,000,000.00	2,095,000,000.00	2,500,000,000.00	405,000,000.00	2,095,000,000.00
Total	2,500,000,000.00	405,000,000.00	2,095,000,000.00	2,500,000,000.00	405,000,000.00	2,095,000,000.00

1. Investment in subsidiaries

Investee	Opening balance (Carrying value)	Provision for impairment Opening balance	Changes in the period				Closing balance (Carrying value)	Provision for impairment Closing balance
			Addition of investment	Reduction of investment	Provision for impairment	Others		
Hefei Photovoltaic	1,150,000,000.00	405,000,000.00					1,150,000,000.00	405,000,000.00
Yan'an New Energy	600,000,000.00						600,000,000.00	
Jiangxi Photovoltaic	600,000,000.00						600,000,000.00	
Xiayang Photovoltaic	150,000,000.00						150,000,000.00	
Total	2,500,000,000.00	405,000,000.00					2,500,000,000.00	405,000,000.00

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XVI. NOTES TO MAJOR ITEMS OF PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

(IV) Operating revenue and operating costs

1. Information on operating revenue and operating costs

Item	2025		2024	
	Revenue	Costs	Revenue	Costs
Principal businesses	2,836,723,419.53	2,799,860,147.40	3,158,892,765.21	3,159,318,198.26
Other businesses	883,310,369.94	867,714,773.82	1,311,903,860.35	1,297,657,214.68
Total	3,720,033,789.47	3,667,574,921.22	4,470,796,625.56	4,456,975,412.94

2. Breakdown of operating revenue and operating costs

Item	2025		2024	
	Revenue	Costs	Revenue	Costs
1. Subtotal of principal businesses	2,836,723,419.53	2,799,860,147.40	3,158,892,765.21	3,159,318,198.26
Including: Photovoltaic glass	2,836,723,419.53	2,799,860,147.40	3,158,892,765.21	3,159,318,198.26
2. Subtotal of other businesses	883,310,369.94	867,714,773.82	1,311,903,860.35	1,297,657,214.68
Including: Sales of materials	883,310,369.94	867,714,773.82	1,311,903,860.35	1,297,657,214.68
Total	3,720,033,789.47	3,667,574,921.22	4,470,796,625.56	4,456,975,412.94

(V) Investment gains

Item	2025	2024
Income from long-term equity investment accounted for by cost method	33,115,000.00	90,000,000.00
Interest income from certificates of deposit	9,999,999.84	9,999,999.84
Investment income on disposal of held-for trading financial assets	1,281,597.22	4,733.53
Gains from debt restructuring	278,585.00	
Investment income of held-for-trading financial assets during the holding period		20,816.72
Bills discounted interest	-15,764,461.40	-23,694,979.16
Total	28,910,720.66	76,330,570.93

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XVII. SUPPLEMENTAL INFORMATION

(1) Breakdown of non-recurring profit or loss

Item	Amount
1. Profit/loss on disposal of non-current assets, including the write-off of the asset impairment provision	3,828,587.52
2. Government grant recognized in current profit or loss (except for government grants that are closely related to the normal operation of the Company, in compliance with national policies and regulations, and in accordance with established standards, and have a continuous impact on the Company's profit or loss)	92,350,734.31
3. Apart from the effective hedging business relating to the normal operations of the Company, gains and losses on changes in fair value arising from financial assets and financial liabilities held by non-financial enterprises and gains and losses arising from the disposal of financial assets and financial liabilities	1,281,597.22
4. Capital occupation fees charged from the non-financial enterprises and counted into the current profit or loss	
5. Profit or loss from entrusting others to invest or manage assets	
6. Profit or loss from external entrusted loans	
7. Asset losses due to force majeure factors such as natural disasters	
8. Reversal of provision for impairment of receivables tested for impairment on an individual basis	
9. Gains when the investment cost of acquiring a subsidiary, an associate and a joint venture is less than the fair value of the identifiable net assets of the invested entity	
10. Current net profit or loss of subsidiaries from the merger of enterprise under common control from the beginning of the period to the date of the merger	
11. Profit or loss from exchange of non-monetary assets	
12. Profit or loss from debt restructuring	430,741.69
13. One-off costs incurred by the enterprise as a result of the discontinuation of the relevant business activities, e.g. staff settlement expenses, etc.	
14. One-off effect on the current profit or loss due to adjustments according to laws and regulations related to tax and accounting	
15. One-off share-based payment expense recognised as a result of cancellation and modification of the share incentive scheme	

Notes to the Financial Statements for 2025 (Continued)

(All amounts in RMB Yuan unless otherwise stated)

XVII. SUPPLEMENTAL INFORMATION (Continued)

(I) Breakdown of non-recurring profit or loss (Continued)

Item	Amount
16. Profit or loss from changes in fair value of employee remuneration payable after the date on which the cash settled share-based payments become exercisable	
17. Profit or loss from changes in fair value of investment properties subsequently measured in the fair value model	
18. Gains in transactions with unfair price	
19. Profit or loss arising from contingencies irrelevant to the Company's normal business operations	
20. Entrustment fee income from entrusted operations	
21. Other non-operating income and expenses other than the above	5,341,688.72
22. Other profit or loss items falling within the meaning of non-recurring profit or loss	
Less: Effect of income tax	
Effect of minority interests (after tax)	
Total	103,233,349.46

(II) Return on net assets and earnings per share

Profit for the Reporting Period	Weighted average return on net assets (%)	Earnings per share (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to holders of ordinary shares of the Company	-48.34	-3.1779	-3.1779
Net profit attributable to holders of ordinary shares of the Company after deducting non-recurring profit or loss	-57.25	-3.7634	-3.7634

IRICO GROUP NEW ENERGY COMPANY LIMITED

On 25 March 2026

Five-Year Financial Summary

Unit: RMB'000

Item	2025	2024	2023	2022 (Restated)	2021 (Restated)
Operating revenue	290,505.27	327,622.01	314,538.55	247,027.75	206,706.27
Total profit (total loss is represented by “-”)	-56,006.00	-35,842.74	-22,558.93	10,078.87	18,770.73
Income tax expense	28.00	1,752.64	536.62	1,155.82	2,327.57
Net profit (net loss is represented by “-”)	-56,034.00	-37,595.38	-23,095.55	8,923.05	16,443.16
Including: Net profit attributable to the shareholders of the parent company	-56,034.00	-37,595.38	-23,095.55	8,923.05	16,443.16
Minority interests					
Total assets	831,335.91	877,527.08	884,039.63	637,824.41	512,026.46
Total liabilities	747,165.35	729,879.06	704,112.11	445,627.76	320,943.42
Owners' equity	84,170.56	147,648.02	179,927.53	192,196.65	191,083.05
Including: Equity attributable to owners of the parent company	84,170.56	147,648.02	179,927.53	192,196.65	191,083.05
Minority interests					
Basic earnings per share (RMB/share)	-3.1779	-2.1322	-1.3099	0.5061	1.2346
Diluted earnings per share (RMB/share)	-3.1779	-2.1322	-1.3099	0.5061	1.2346

Corporate Information

Executive Directors

Ms. Yang Hua
Mr. Gao Feng'an (*Appointed on 29 May 2025*)

Non-executive Directors

Mr. Fang Zhongxi

Independent Non-executive Directors

Mr. Su Kun
Mr. Li Yong
Ms. Hao Meiping

Employee Director

Mr. Yao Rui (*Appointed on 15 October 2025*)

Nomination Committee

Mr. Li Yong
Mr. Gao Feng'an
Mr. Su Kun
Ms. Hao Meiping

Audit Committee

Mr. Su Kun
Mr. Li Yong
Ms. Hao Meiping

Remuneration and Appraisal Committee

Ms. Hao Meiping
Mr. Gao Feng'an
Mr. Li Yong

Strategy Committee

Mr. Gao Feng'an
Ms. Yang Hua
Mr. Fang Zhongxi
Mr. Li Yong
Ms. Hao Meiping

Chief Financial Officer

Mr. Li Yunpu (*Appointed on 27 March 2025*)

Secretary to the Board

Mr. Niu Xinchun

Company Secretary

Mr. Ni Huadong

Authorized Representatives

Mr. Yao Rui (*Appointed on 15 October 2025*)
Mr. Ni Huadong

Legal Address in the PRC

C6, No. 3, Xinghuo Avenue, High-Tech Industrial Development Zone, Xianyang, Shaanxi Province
Postal code: 712000

Place of Business in Hong Kong

Units 1607-8, 16/F, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong

Company Website

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Corporate Information (Continued)

Legal Advisers as to Hong Kong Laws

Eric Chow & Co. in Association with
Commerce & Finance Law Offices
3401, Alexandra House,
18 Chater Road, Central, Hong Kong

Auditor

WUYIGE Certified Public Accountants LLP
Non-Hong Kong Accounting Firm accredited by the
Stock Exchange
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Registrar of H Shares in Hong Kong

Computershare Hong Kong Investor Services
Limited
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