



江山控股
KongSun Holdings

Kong Sun Holdings Limited

Stock Code: 295



2025
ANNUAL REPORT

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Li Guo
Ms. Liu Ying (*Appointed on 15 January 2025*)
Mr. Hua Min (*Resigned on 1 April 2026*)
Mr. Xian He (*Resigned on 15 January 2025*)

NON-EXECUTIVE DIRECTORS

Mr. Jiang Hengwen (*Chairman*)
Mr. Wu Zhenzhou (*Appointed on 15 January 2025 and resigned on 16 October 2025*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qin Junyi (*Appointed on 23 December 2025*)
Ms. Sun Yiwen (*Appointed on 7 May 2025*)
Mr. Tang Jian
Ms. Tang Yinghong (*Resigned on 23 December 2025*)
Ms. Wu Wennan (*Resigned on 7 May 2025*)

AUDIT COMMITTEE

Ms. Sun Yiwen (*Chairman*) (*Appointed on 7 May 2025*)
Mr. Qin Junyi (*Appointed on 23 December 2025*)
Mr. Tang Jian
Ms. Tang Yinghong (*Resigned on 23 December 2025*)
Ms. Wu Wennan (*Resigned on 7 May 2025*)

NOMINATION COMMITTEE

Mr. Qin Junyi (*Chairman*) (*Appointed on 23 December 2025*)
Ms. Sun Yiwen (*Appointed on 7 May 2025*)
Mr. Tang Jian
Ms. Tang Yinghong (*Resigned on 23 December 2025*)
Ms. Wu Wennan (*Resigned on 7 May 2025*)

REMUNERATION COMMITTEE

Mr. Tang Jian (*Chairman*)
Mr. Qin Junyi (*Appointed on 23 December 2025*)
Ms. Sun Yiwen (*Appointed on 7 May 2025*)
Ms. Tang Yinghong (*Resigned on 23 December 2025*)
Ms. Wu Wennan (*Resigned on 7 May 2025*)

REGISTERED OFFICE

Unit 803-4, 8/F
Everbright Centre
108 Gloucester Road
Wanchai
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY SECRETARY

Mr. Ching Kin Wai

CORPORATE INFORMATION *(continued)*

AUTHORISED REPRESENTATIVES

Mr. Li Guo (*Appointed on 15 January 2025*)
Mr. Ching Kin Wai
Mr. Xian He (*Resigned on 15 January 2025*)

AUDITOR

Suya WWC CPA Limited

LEGAL ADVISER AS TO HONG KONG LAWS

Sidley Austin

STOCK CODE

295

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CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the board (the “Board”) of directors, I hereby present the results of Kong Sun Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025.

In 2025, governments at all levels in China continued to support the development of the solar power generation industry. The National Development and Reform Commission, the National Energy Administration and other departments have successively issued multiple policy documents such as “Notice on Deepening the Market-oriented Reform of New Energy On-grid Electricity Prices and Promoting the High-quality Development of New Energy”, “Notice on Orderly Promoting the Development of Direct Green Power Supply”, “Administrative Measures for the Development and Construction of Distributed Photovoltaic Power Generation” and the “Guiding Opinions on Promoting the Integrated and Converged Development of New Energy” (《關於促進新能源集成融合發展的指導意見》), which aim to incentivize and standardize the development of new energy power generation projects.

In 2025, the Group continued to adopt a steady and pragmatic business strategy, strive to enhance the efficiency of power stations, while actively adjusting its asset structure and exploring diversified development opportunities. As of 31 December 2025, the Group held 11 grid-connected solar power plants in Shaanxi, Anhui, Inner Mongolia, Hubei and Shanxi in China, with a total installed capacity of 290 megawatt (“MW”) and a total power generation of approximately 300,736 megawatt-hours (“MWh”) in 2025. Meanwhile, the Group continued to actively expand its financial technology business such as the Internet microfinance loans, while persisting in exploring other investment opportunities in other sectors. In 2025, the Group recorded a revenue of approximately RMB321 million and a gross profit of approximately RMB153 million.

In the future, the Group will continue to develop its clean energy and technology-driven financial services, optimize its asset structure, enhance the efficiency of equipment in power plants, and simultaneously strengthen the expansion of asset-light operations, strive to improve the Group’s operating results, and promote the development of green and low-carbon energy in China, thus contributing to environmental protection and people’s health.

Finally, I would like to take this opportunity to express my gratitude to our shareholders, customers and suppliers for their continuous support and trust; and to all of our Directors, management team and staff of the Group for their contribution to the Group. The Group will continue its business development with a view to maximizing overall return for its shareholders.

Jiang Hengwen

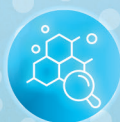
Chairman

Hong Kong, 27 March 2026

FINANCIAL HIGHLIGHTS

	2025	2024
	RMB'000	RMB'000
Revenue	321,412	392,963
Gross profit	152,533	217,257
Loss for the year	(229,620)	(601,128)
Loss per share attributable to owners of the Company for the year		
— Basic (RMB cents)	(1.44)	(3.50)
— Diluted (RMB cents)	(1.44)	(3.50)
Total non-current assets	2,244,159	2,565,118
Total current assets	2,061,053	2,203,088
Total assets	4,305,212	4,768,206
Total non-current liabilities	726,037	951,603
Total current liabilities	1,589,705	1,479,014
Total liabilities	2,315,742	2,430,617
NET ASSETS	1,989,470	2,337,589

MANAGEMENT DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

BUSINESS REVIEW

The Company is an investment holding company with its subsidiaries mainly engaged in the investment in and the operation of solar power plants and provision of financial services.

SOLAR POWER PLANTS BUSINESS

During the year ended 31 December 2025, the Group continued its investment in and operation of solar power plants in the People's Republic of China (the "PRC"). As at 31 December 2025, the Group had a total of 290 MW (2024: 290 MW) completed solar power plants as follows:

Completed solar power plants

PRC Province	Number of solar power plants as at 31 December 2025	Capacity of solar power plants
Shaanxi	3	90 MW
Inner Mongolia	1	10 MW
Shanxi	1	20 MW
Anhui	5	140 MW
Hubei	1	30 MW
Total	11	290 MW

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

PROVISION OF FINANCIAL SERVICES

The Group's revenue from provision of financial services increased by approximately 3.1% from approximately RMB115,528,000 for the year ended 31 December 2024 to approximately RMB119,105,000 for the year ended 31 December 2025 due to more loans made to customers during the year.

As at 31 December 2025, the total outstanding loan receivables before impairment was approximately RMB260,967,000 (2024: RMB493,085,000), which were made to approximately 3,800 (2024: 5,500) clients, among which approximately 100% (2024: 99.4%) were individuals and approximately 0% (2024: 0.6%) were institutional clients. The types of loan were credit loans, guaranteed loans and collateral-backed loans. In general, during the year ended 31 December 2025, loans advanced by the Group to approximately 100.0% (2024: 98.1%) of the individual borrowers were unsecured credit loans with principal amount of each loan not exceeding RMB800,000, whereas loans to institutional borrowers and other individual borrowers were either unsecured credit loans, collateral-backed or guaranteed loans (depending on terms of the loan, such as principal amount, tenor and interest rate). The collaterals requested by the Group mainly comprised properties and receivables. The repayment period ranged from 3 to 36 months (2024: 3 to 36 months). The interest rate was 24% (2024: 6% to 24%) per annum.

The following tables set out further details of the top six clients with the highest amounts of outstanding loan receivables as at 31 December 2025 (the "2025 Major Clients") and 2024 (the "2024 Major Clients"):

Name of the 2025 Major Client	Relationship (either existing or prior with the Company and its connected person)	Principal business engaged by the 2025 Major Client	Means of introduction to the Group	Type of loan	Term of the loan	Principal amount (RMB)	Interest rate
1. 2025 Major Client 1	Independent third party	Executive	By referral	Credit loan	24 months	800,000	24% p.a.
2. 2025 Major Client 2	Independent third party	Executive	By referral	Credit loan	24 months	700,000	24% p.a.
3. 2025 Major Client 3	Independent third party	Executive	By referral	Credit loan	24 months	500,000	24% p.a.
4. 2025 Major Client 4	Independent third party	Executive	By referral	Credit loan	24 months	500,000	24% p.a.
5. 2025 Major Client 5	Independent third party	Executive	By referral	Credit loan	24 months	500,000	24% p.a.
6. 2025 Major Client 6	Independent third party	Executive	By referral	Credit loan	24 months	500,000	24% p.a.

Note: On 28 October 2025, the Group disposed of its 100% equity interests in 北京四海盈辰投資有限責任公司 (Beijing Sihai Yingchen Investment Company Limited*)("Beijing Sihai") and 遷安市瑞浩企業管理有限公司 (Qian'an Ruihao Enterprise Management Co., Ltd.)(formerly know as 遷安市瑞平投資有限公司 (Qianan Ruiping Investment Company Limited*))("Qianan Ruihao"), being the immediate holding companies of 北京潤豐源大信息技術有限公司 (Beijing Runfengyuan Big Information Technology Co., Ltd.)(formerly know as 北京潤豐元大小額貸款有限公司 ((Beijing Runfeng Yuanda Microfinance Limited*))("Beijing Runfengyuan") (which was the creditor of the above loans). Accordingly, Beijing Sihai, Qianan Ruihao and Beijing Runfengyuan were de-consolidated from the Group' consolidated financial statements from the date of disposal. As such, these outstanding loans were also de-consolidated from the Group's consolidated financial statements from the date of disposal.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

PROVISION OF FINANCIAL SERVICES (continued)

Name of the 2024 Major Client	Relationship (either existing or prior) with the Company and its connected person	Principal business engaged by the 2024 Major Client	Means of introduction to the Group	Type of loan	Term of the loan	Principal amount (RMB)	Interest rate
1. 2024 Major Client 1	Independent third party	Equipment sale and Information services	By referral	Credit loan	12 months	8,270,000	6.5% p.a.
2. 2024 Major Client 2	Independent third party	Retail	By referral	Credit loan	12 months	8,250,000	6.5% p.a.
3. 2024 Major Client 3	Independent third party	Trade and Information service	By referral	Credit loan	12 months	8,230,000	6.5% p.a.
4. 2024 Major Client 4	Independent third party	Commerce and Trade	By referral	Credit loan	12 months	8,220,000	6.5% p.a.
5. 2024 Major Client 5	Independent third party	Trade and Information service	By referral	Credit loan	12 months	8,200,000	6.5% p.a.
6. 2024 Major Client 6	Independent third party	Commerce and Trade	By referral	Credit loan	12 months	8,200,000	6.5% p.a.

Note: On 28 October 2025, the Group disposed of its 100% equity interests in Beijing Sihai and Qianan Ruihao, being the immediate holding companies of Beijing Runfengyuan (which was the creditor of the above loans). Accordingly, Beijing Sihai, Qianan Ruihao and Beijing Runfengyuan were de-consolidated from the Group's consolidated financial statements from the date of disposal. As such, these outstanding loans were also de-consolidated from the Group's consolidated financial statements from the date of disposal.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

PROVISION OF FINANCIAL SERVICES (continued)

Aging analysis of loan receivables arising from the provision of financial services, based on due dates, are as follows:

	2025	2024
	RMB'000	RMB'000
Neither past due nor impaired	201,236	295,516
Less than 3 months past due	5,455	39,705
Over 3 months but less than 6 months past due	47,354	3,091
Over 6 months but less than 12 months past due	6,850	118,314
Over 12 months but less than 24 months past due	72	2
Over 24 months past due	–	36,457
	<hr/>	<hr/>
	260,967	493,085
	<hr/>	<hr/>
Provision for ECL	(28,005)	(114,152)
	<hr/>	<hr/>
	232,962	378,933
	<hr/>	<hr/>

Note: On 28 October 2025, the Group disposed of its 100% equity interests in Beijing Sihai and Qianan Ruihao, being the immediate holding companies of Beijing Runfengyuan (which was the creditor of the above loans). Accordingly, Beijing Sihai, Qianan Ruihao and Beijing Runfengyuan were de-consolidated from the Group's consolidated financial statements from the date of disposal. As such, these outstanding loans were also de-consolidated from the Group's consolidated financial statements from the date of disposal.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

PROVISION OF FINANCIAL SERVICES (continued)

The impairment losses on loan receivables arising from the provision of financial services (which were calculated based on an expected credit loss (the "ECL") in the aggregate amount of approximately RMB126,717,000 (2024: RMB101,218,000)) were recognised during the year ended 31 December 2025 (the "2025 Impairments") and 2024 (the "2024 Impairments") attributable to loan receivables. Such 2025 Impairments were made in respect of approximately 3,800 (2024: 5,500) individuals and of the Group based on the impairment assessment.

The credit risk of the financial services business of the Group is mainly arisen from its loans receivable from customers. To monitor credit risk, the Group sets out the following credit policies:

(i) The Group's business model and credit risk assessment policy of the financial services business

The Group mainly uses its own funds to carry out credit business and also conducts online joint lending business with other qualified financial institutions, and does not accept deposits from the public. The Group has set up a credit committee (the "Credit Committee") in the subsidiaries operating the credit business, which is responsible for formulating the policies, authorisation and collective approval of the credit business of the subsidiaries. The primary duties of the Credit Committee are to approve and oversee the Group's credit policy and to monitor its loan portfolios. The Credit Committee comprises five senior management personnel from the subsidiaries operating the credit business with risk control, legal, finance and business background, and makes decisions through votes at the meetings.

All decisions for loan applications, whether for independent credit business or joint credit business, are handled by the Credit Committee. All new customers have to pass the Group's financial background and credit checks (including but not limited to financial position, identity and background, credit status, collaterals (if any), guarantors (if any)) before loans are granted. The business department of the Group makes decisions on whether to grant loans within the Credit Committee's scope of authorisation or approves loan applications beyond the scope of authorisation submitted to the Credit Committee. For small loan business with a single loan amount of no more than RMB500,000, the Credit Committee has set up a loan policy and developed proprietary product procedures, and used information technology to conduct information collection, intelligent preliminary review, manual online review and approval, so as to improve efficiency.

In terms of credit monitoring, the risk control department will perform sample check on the loan files to ensure that loan approval procedures are strictly complied with and documentations are properly recorded. For loans with collateral, the Credit Committee will identify possible irregularities in the credit quality of the loan portfolio. If the collateral ratio, if applicable, is increased to or above a pre-determined accepted level, the borrower may be required to deposit additional collateral or partially repay the outstanding loan balance in order to bring the collateral ratio below the accepted level.

In cases where the borrower requests a restructuring of the repayment schedule, approval has to be obtained from the Credit Committee on a case-by-case basis. The approved restructured loans will be monitored on an on-going basis and reviewed by the risk control department to ensure timely repayment.

Impairment review has been performed by management to assess impairment loss on loans receivable from customers. Below sets out the details of the assessment model adopted by the Group:

Management would assess the following variables when performing impairment review:

- (1) Probability of Default;
- (2) Loss Given Default (the "LGD") i.e. the magnitude of the loss if there is a default; and
- (3) Exposure at Default.

The assessment of the probability of default and LGD is based on historical data adjusted by forward-looking information.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

PROVISION OF FINANCIAL SERVICES (continued)

(ii) Loans receivable

The Group applies a general approach in measuring loss allowance for ECL on loans receivable.

In assessing default risk of loan receivables, the following factors have been taken into consideration:

- (1) the borrower's repayment ability, including the borrower's cash flow, financial condition, non-financial factors that affect the repayment ability;
- (2) the borrower's repayment records, including the borrower's repayment records with financial institutions such as banks;
- (3) the borrower's willingness to repay;
- (4) the validity of debt guarantees;
- (5) the legal liability for debt repayment;
- (6) internal risk management (if the client is a corporate client);
- (7) overdue time; and
- (8) the condition of the collateral.

Management classifies the risk levels of the loan receivables based on the following:

Stage 1: For exposures where there have not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination.

Stage 2: For exposures where there have been a significant increase in credit risk since initial recognition but are not credit-impaired. Below are indicators of significant increase in credit risks:

- (a) No delay in repayment of loan by borrower. However, there are some difficulties that may adversely affect repayment ability;
- (b) Collateral ratio (if any) have reached alarming level; and
- (c) Responsiveness to the Group's request.

Stage 3: Exposures are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. Below are events indicating that the balance is credit-impaired:

- (a) Borrowers' ability to repay their loans is significantly impaired. The Group makes liquidation call to borrowers to liquidate their securities collateral (if any) to settle the outstanding balances;
- (b) The borrower is not responsive to the Group's request; and
- (c) The Group loses contact with the borrowers.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

PROVISION OF FINANCIAL SERVICES (continued)

(ii) Loans receivable (continued)

Based on the above impairment assessment, the following tables set out further details and circumstances of the top six clients with the highest amounts of the 2025 Impairments (the “2025 Relevant Clients”) during the year ended 31 December 2025:

	Name of the 2025 Relevant Client	Relationship (either existing or prior) with the Company and its connected person	Principal business engaged by the 2025 Relevant Client	Means of introduction to the Group	Type of loan	Term of the loan	Maturity date	Principal amount (RMB)	Interest rate
1.	2025 Relevant Client 1	Independent third party	Executive	Referral	Credit loan	24 months	28 March 2025	432,000	24% p.a.
2.	2025 Relevant Client 2	Independent third party	Executive	Referral	Credit loan	36 months	7 September 2025	322,000	24% p.a.
3.	2025 Relevant Client 3	Independent third party	Executive	Referral	Credit loan	36 months	15 September 2025	325,000	24% p.a.
4.	2025 Relevant Client 4	Independent third party	Executive	Referral	Credit loan	24 months	1 August 2025	315,000	24% p.a.
5.	2025 Relevant Client 5	Independent third party	Executive	Referral	Credit loan	36 months	23 September 2025	280,000	24% p.a.
6.	2025 Relevant Client 6	Independent third party	Executive	Referral	Credit loan	24 months	19 March 2025	278,000	24% p.a.

Note: On 28 October 2025, the Group disposed of its 100% equity interests in Beijing Sihai and Qianan Ruihao, being the immediate holding companies of Beijing Runfengyuan (which was the creditor of the above loans). Accordingly, Beijing Sihai, Qianan Ruihao and Beijing Runfengyuan were de-consolidated from the Group’s consolidated financial statements from the date of disposal. As such, these outstanding loans were also de-consolidated from the Group’s consolidated financial statements from the date of disposal.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

PROVISION OF FINANCIAL SERVICES (continued)

(ii) Loans receivable (continued)

	Name of the 2025 Relevant Client	Outstanding amount as at 31 December 2025 (RMB)	Amount of the 2025 Impairments during the year ended 31 December 2025 (RMB)	Classification in the Group's accounts (including both principal and interest)	Guarantee/security	Due diligence performed by the Group	Reasons for the 2025 Impairments
1.	2025 Relevant Client 1	432,000	430,000	Loan receivable	N/A	Full KYC procedures including obtaining identity information, address, etc.	When the 2025 Relevant Client 1 failed to repay the loan upon maturity in March 2025 and did not repay as at 31 December 2025
2.	2025 Relevant Client 2	322,000	320,000	Loan receivable	N/A	Full KYC procedures including obtaining identity information, address, etc.	When the 2025 Relevant Client 2 failed to repay the loan upon maturity in September 2025 and did not repay as at 31 December 2025
3.	2025 Relevant Client 3	325,000	317,000	Loan receivable	N/A	Full KYC procedures including obtaining identity information, address, etc.	When the 2025 Relevant Client 3 failed to repay the loan upon maturity in September 2025 and did not repay as at 31 December 2025
4.	2025 Relevant Client 4	315,000	315,000	Loan receivable	N/A	Full KYC procedures including obtaining identity information, address, etc.	When the 2025 Relevant Client 4 failed to repay the loan upon maturity in August 2025 and did not repay as at 31 December 2025
5.	2025 Relevant Client 5	288,000	288,000	Loan receivable	N/A	Full KYC procedures including obtaining identity information, address, etc.	When the 2025 Relevant Client 5 failed to repay the loan upon maturity in September 2025 and did not repay as at 31 December 2025
6.	2025 Relevant Client 6	278,000	278,000	Loan receivable	N/A	Full KYC procedures including obtaining identity information, address, etc.	When the 2025 Relevant Client 6 failed to repay the loan upon maturity in March 2025 and did not repay as at 31 December 2025

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

PROVISION OF FINANCIAL SERVICES *(continued)*

(ii) Loans receivable *(continued)*

	Name of the 2025 Relevant Client	The Group's assessment and monitoring on credit risk
1.	2025 Relevant Client 1	The Group issued a demand letter to demand immediate repayment of the principal and interest of the loan.
2.	2025 Relevant Client 2	The Group issued a demand letter to demand immediate repayment of the principal and interest of the loan.
3.	2025 Relevant Client 3	The Group issued a demand letter to demand immediate repayment of the principal and interest of the loan.
4.	2025 Relevant Client 4	The Group issued a demand letter to demand immediate repayment of the principal and interest of the loan.
5.	2025 Relevant Client 5	The Group issued a demand letter to demand immediate repayment of the principal and interest of the loan.
6.	2025 Relevant Client 6	The Group issued a demand letter to demand immediate repayment of the principal and interest of the loan.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

PROVISION OF FINANCIAL SERVICES (continued)

(ii) Loans receivable (continued)

Based on the above impairment assessment, the following tables set out further details and circumstances of the top six clients with the highest amounts of the 2024 Impairments (the "2024 Relevant Clients") during the year ended 31 December 2024:

	Name of the 2024 Relevant Client	Relationship (either existing or prior) with the Company and its connected person	Principal business engaged by the 2024 Relevant Client	Means of introduction to the Group	Type of loan	Term of the loan	Maturity date	Principal amount (RMB)	Interest rate
1.	2024 Relevant Client 1	Independent third party	Investment management and consulting	Referral	Credit loan	12 months	6 June 2024	3,000,000	6.5% p.a.
2.	2024 Relevant Client 2	Independent third party	Machinery and facilities	Referral	Credit loan	12 months	6 June 2024	3,000,000	6.5% p.a.
3.	2024 Relevant Client 3	Independent third party	Technology, promotion and services	Referral	Credit loan	12 months	6 June 2024	3,000,000	6.5% p.a.
4.	2024 Relevant Client 4	Independent third party	Executive	Referral	Guaranteed loan	12 months	20 March 2024	2,900,000	6.5% p.a.
5.	2024 Relevant Client 5	Independent third party	Executive	Referral	Guaranteed loan	12 months	20 March 2024	2,900,000	6.5% p.a.
6.	2024 Relevant Client 6	Independent third party	Executive	Referral	Guaranteed loan	12 months	20 March 2024	2,900,000	6.5% p.a.

Note: On 28 October 2025, the Group disposed of its 100% equity interests in Beijing Sihai and Qianan Ruihao, being the immediate holding companies of Beijing Runfengyuan (which was the creditor of the above loans). Accordingly, Beijing Sihai, Qianan Ruihao and Beijing Runfengyuan were de-consolidated from the Group's consolidated financial statements from the date of disposal. As such, these outstanding loans were also de-consolidated from the Group's consolidated financial statements from the date of disposal.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

PROVISION OF FINANCIAL SERVICES (continued)

(ii) Loans receivable (continued)

	Name of the 2024 Relevant Client	Outstanding amount as at 31 December 2024 (RMB)	Amount of the 2024 Impairments during the year ended 31 December 2024 (RMB)	Classification in the Group's accounts (including both principal and interest)	Guarantee/security	Due diligence performed by the Group	Reasons for the 2024 Impairments
1.	2024 Relevant Client 1	3,000,000	1,530,000	Loan receivable	N/A	Full know your client ("KYC") procedures including obtaining company registration information, registered address, shareholder identity, business scope, financial status, etc.	When the 2024 Relevant Client 1 failed to repay the loan upon maturity in June 2024 and did not repay as at 31 December 2024
2.	2024 Relevant Client 2	3,000,000	1,530,000	Loan receivable	N/A	Full KYC procedures including obtaining company registration information, registered address, shareholder identity, business scope, etc.	When the 2024 Relevant Client 2 failed to repay the loan upon maturity in June 2024 and did not repay as at 31 December 2024
3.	2024 Relevant Client 3	3,000,000	1,530,000	Loan receivable	N/A	Full KYC procedures including obtaining company registration information, registered address, shareholder identity, business scope, etc.	When the 2024 Relevant Client 3 failed to repay the loan upon maturity in June 2024 and did not repay as at 31 December 2024
4.	2024 Relevant Client 4	2,900,000	1,479,000	Loan receivable	Joint and several guarantee	Full KYC procedures including obtaining identity information, address, information of the guarantor, etc.	When the 2024 Relevant Client 4 failed to repay the loan upon maturity in March 2024 and did not repay as at 31 December 2024
5.	2024 Relevant Client 5	2,900,000	1,479,000	Loan receivable	Joint and several guarantee	Full KYC procedures including obtaining identity information, address, information of the guarantor, etc.	When the 2024 Relevant Client 5 failed to repay the loan upon maturity in March 2024 and did not repay as at 31 December 2024
6.	2024 Relevant Client 6	2,900,000	1,479,000	Loan receivable	Joint and several guarantee	Full KYC procedures including obtaining identity information, address, information of the guarantor, etc.	When the 2024 Relevant Client 6 failed to repay the loan upon maturity in March 2024 and did not repay as at 31 December 2024

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

PROVISION OF FINANCIAL SERVICES *(continued)*

(ii) Loans receivable *(continued)*

	Name of the 2024 Relevant Client	The Group's assessment and monitoring on credit risk
1.	2024 Relevant Client 1	The Group issued a demand letter to demand immediate repayment of the principal and interest of the loan.
2.	2024 Relevant Client 2	The Group issued a demand letter to demand immediate repayment of the principal and interest of the loan.
3.	2024 Relevant Client 3	The Group issued a demand letter to demand immediate repayment of the principal and interest of the loan.
4.	2024 Relevant Client 4	The Group issued a demand letter to demand immediate repayment of the principal and interest of the loan.
5.	2024 Relevant Client 5	The Group issued a demand letter to demand immediate repayment of the principal and interest of the loan.
6.	2024 Relevant Client 6	The Group issued a demand letter to demand immediate repayment of the principal and interest of the loan.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

PROVISION OF FINANCIAL SERVICES (continued)

(ii) Loans receivable (continued)

Although the 2025 Impairments were made during the year ended 31 December 2025 and the 2024 Impairments were made during the year ended 31 December 2024, the Group reserved its rights to take all necessary measures to recover such outstanding amounts due from the Relevant Clients to safeguard the interests of the Group and the shareholders of the Company.

HEALTH MANAGEMENT SERVICES

On 30 December 2024, the Group disposed of its 69.45% equity interest in 北京鷹之眼智能健康科技有限公司 (Beijing Eagle Eye Intelligent Health Technology Co., Ltd.*) ("Beijing Eagle Eye"). Beijing Eagle Eye and its results for the year ended 31 December 2024 were classified as discontinued operations. No such amount was recorded for the year ended 31 December 2025.

RESULTS OF OPERATIONS

Revenue

The Group's revenue decreased by approximately 18.2% from approximately RMB392,963,000 for the year ended 31 December 2024 to approximately RMB321,412,000 for the year ended 31 December 2025. The decrease was due to (i) the decrease in revenue from provision of solar power plant operation and maintenance services due to the disposal of 60% interests in the business in April 2024; and (ii) the decrease in revenue from sales of electricity.

Revenue from sales of electricity and provision of solar power plant operation and maintenance services

The Group's revenue from sales of electricity decreased by approximately 15.5% from approximately RMB239,455,000 for the year ended 31 December 2024 to approximately RMB202,307,000 for the year ended 31 December 2025. The decrease was due to the decrease in aggregate volume of electricity generated by the Group's grid-connected solar power plants and a decrease in the unit price of electricity. The solar power plants owned by the Group generated electricity in an aggregate volume of 300,736 MWh for the year ended 31 December 2025, representing a decrease of approximately 6.1% as compared to 320,412 MWh for the year ended 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

RESULTS OF OPERATIONS (continued)

Revenue from sales of electricity and provision of solar power plant operation and maintenance services (continued)

The Group's revenue from provision of solar power plant operation and maintenance services was approximately RMB37,980,000 for the year ended 31 December 2024. With the completion of the disposal of 60% interests of the solar power plant operation and maintenance services business in April 2024, no such amount was recorded for the year ended 31 December 2025.

Revenue from provision of financial services

The Groups' revenue from provision of financial services increased by approximately 3.1% from approximately RMB115,528,000 for the year ended 31 December 2024 to approximately RMB119,105,000 for the year ended 31 December 2025 due to more loans made to customers during the year.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately 29.8% from approximately RMB217,257,000 for the year ended 31 December 2024 to approximately RMB152,533,000 for the year ended 31 December 2025. The gross profit margin of the Group decreased from approximately 55.3% for the year ended 31 December 2024 to approximately 47.5% for the year ended 31 December 2025 mainly due to decline in electricity generation and the decrease in unit price of the electricity.

Other gains/(losses), net

The other gains/(losses), net of the Group changed from net losses of approximately RMB14,441,000 for the year ended 31 December 2024 to net gains of approximately RMB31,359,000 for the year ended 31 December 2025. The change was mainly due to (i) the increase in gain on early termination of lease of approximately RMB16,460,000 and (ii) the decrease in compensation arising from litigation, which changed from a loss of approximately RMB22,537,000 in 2024 to a gain of approximately RMB4,153,000 in 2025.

Administrative expenses

Administrative expenses of the Group decreased by approximately 39.7% from approximately RMB131,090,000 for the year ended 31 December 2024 to approximately RMB79,077,000 for the year ended 31 December 2025. The decrease was mainly attributable to the decrease in total employee benefit expenses of approximately RMB53,790,000 during the year ended 31 December 2025.

Gains on disposal of subsidiaries, net

During the year ended 31 December 2025, the Group disposed of certain subsidiaries and recorded net gains on disposal of subsidiaries of approximately RMB46,354,000 (2024: RMB38,339,000). For details, please refer to note 32 to the financial statements in this report.

Impairment loss on a solar power plant

During the year ended 31 December 2024, impairment loss of approximately RMB5,385,000 on a solar power plant was recognised as a result of the impairment test performed on certain completed solar power plant.

No such amount was recorded during the year ended 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

RESULTS OF OPERATIONS (continued)

Impairment losses on trade and other receivables, net

During the year ended 31 December 2025, impairment losses of approximately RMB250,547,000 (2024: RMB261,401,000) on trade and other receivables, net were recorded based on the lifetime expected credit losses. For details, please refer to notes 24 and 35(b)(i) to the financial statements in this report.

Finance costs

Finance costs of the Group decreased by approximately 0.2% from approximately RMB98,070,000 for the year ended 31 December 2024 to approximately RMB97,914,000 for the year ended 31 December 2025, which was mainly due to the decrease in interest on lease liabilities, which was partially offset by a slight increase in interest on loans and borrowing.

Solar power plants

As at 31 December 2025, the Group had a net carrying amount of approximately RMB1,317,931,000 (2024: RMB1,397,635,000) in completed solar power plants. As at 31 December 2025, the Group had a total of 290 MW (2024: 290 MW) installed capacity of completed solar power plants.

Interest in associates

As at 31 December 2025, the net carrying amount of interests in associates was approximately RMB192,201,000 (2024: RMB128,334,000).

Interest in joint ventures

As at 31 December 2025, the net carrying amount of interests in joint ventures was approximately RMB200,284,000 (2024: RMB202,469,000).

Right-of-use assets

As at 31 December 2025, the right-of-use assets amounted to approximately RMB68,569,000 (2024: RMB117,580,000). The decrease is mainly driven by the early termination of leases during the year ended 31 December 2025.

Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income decreased by approximately 46.4% from approximately RMB559,211,000 as at 31 December 2024 to approximately RMB300,000,000 as at 31 December 2025. The decrease is mainly due to (i) the disposal of investment in 內蒙古呼和浩特金谷農村商業銀行股份有限公司 (Inner Mongolia Hohhot Jingu Rural Commercial Bank Limited Company*); and (ii) the fair value loss of investment in 錦州銀行股份有限公司 (Bank of Jinzhou Co., Ltd.*) which amounted to approximately RMB114,796,000. The investments are held for long-term investment purpose and hence are classified as financial assets measured at fair value through other comprehensive income in the consolidated statement of financial position.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

RESULTS OF OPERATIONS (continued)

Loans to an associate

As at 31 December 2025, the Group had loans to an associate of approximately RMB131,785,000 (2024: RMB124,035,000). The Group entered into loan agreements with an associate, 江山寶源國際融資租賃有限公司 (Kong Sun Baoyuan International Financial Leasing Limited*) on 1 November 2022 ("Loan 1"), 11 January 2023 ("Loan 2") and 10 February 2025 ("Loan 3"), each with a loan period of 3 years term. Loan 1 and Loan 2 were subsequently repaid in March 2026. Loan 1 and Loan 2 are secured and interest-bearing at 9.0% per annum. Loan 3 is unsecured and interest-bearing at 8.5% per annum. The loan interest income was approximately RMB11,422,000 (2024: RMB10,684,000) during the year ended 31 December 2025.

Trade and other receivables

Trade and other receivables decreased by approximately 6.2% from approximately RMB2,113,771,000 as at 31 December 2024 to approximately RMB1,983,775,000 as at 31 December 2025. The decrease was mainly due to decrease in loan receivables.

Restricted cash

As at 31 December 2025, restricted cash of approximately RMB19,078,000 (31 December 2024: RMB18,256,000) mainly represents cash and cash equivalents with externally imposed usage restrictions arising from ongoing legal proceedings, including court-mandated escrow arrangements. These restrictions are imposed pursuant to litigation settlements or judicial orders and prevent the Group from utilising these funds for general operational purposes.

Trade and other payables

Trade and other payables increased by approximately 28.3% from approximately RMB470,319,000 as at 31 December 2024 to approximately RMB603,515,000 as at 31 December 2025. The increase was mainly due to increase in other payables.

Liquidity and capital resources

As at 31 December 2025, excluding the restricted cash of approximately RMB19,078,000 (2024: RMB18,256,000), cash and cash equivalents of the Group were approximately RMB68,539,000 (2024: RMB76,705,000), which included an amount of bank balances of approximately RMB68,375,000 (2024: RMB69,644,000) denominated in RMB placed with banks in the PRC. The remaining balance of the Group's cash and cash equivalents consisted primarily of cash on hand and bank balances which were primarily denominated in Hong Kong dollar and placed with banks in Hong Kong.

As at 31 December 2025, the Group's net debt ratio (or gearing ratio), which was calculated as the total loans and borrowings and corporate bonds minus restricted cash and total cash and cash equivalents, over total equity, was approximately 0.78 (2024: 0.74).

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

RESULTS OF OPERATIONS (continued)

Capital expenditure

During the year ended 31 December 2025, the Group's total expenditure in respect of property, plant and equipment and solar power plants amounted to approximately RMB90,000 (2024: RMB4,447,000) and approximately RMBNil (2024: RMB6,684,000), respectively.

Loans and borrowings

As at 31 December 2025, the Group's total loans and borrowings were approximately RMB1,640,252,000, representing a decrease of approximately 9.6% compared to approximately RMB1,814,044,000 as at 31 December 2024. The decrease in the Group's total loans and borrowings was mainly due to repayment of certain borrowings during the year ended 31 December 2025. All the loans and borrowings of the Group were denominated in RMB, the functional currency of the Company's major subsidiaries in the PRC. As at 31 December 2025, loans and borrowings of approximately RMB978,117,000 (2024: RMB1,044,260,000) and approximately RMB662,135,000 (2024: RMB769,784,000) bear fixed interest rate and floating interest rate, respectively.

As at 31 December 2025, out of the total borrowings, approximately RMB962,114,000 (2024: RMB967,383,000) was repayable within one year and approximately RMB678,138,000 (2024: RMB846,661,000) was repayable after one year. For details, please refer to note 27 to the financial statements in this report.

Corporate bonds

As at 31 December 2025, corporate bonds denominated in Hong Kong dollar with an aggregate principal amount of HK\$9,000,000 (equivalent to approximately RMB8,129,000) (2024: HK\$9,000,000 (equivalent to approximately RMB8,334,000)) remained outstanding with certain independent third parties. The corporate bonds bear interest rates ranging from 3% to 6% (2024: 3% to 6%) per annum, and will mature on the date immediately following 96 months (2024: 96 months) after their issuance.

During the year ended 31 December 2025 and 2024, the Group did not issue any corporate bonds.

During the year ended 31 December 2025, the Group did not repay any corporate bonds. During the year ended 31 December 2024, the Group repaid HK\$10,000,000 (equivalent to approximately RMB9,128,000) in aggregate principal amount of the corporate bonds.

The corporate bonds are measured at amortised cost using the effective interest method by applying an effective interest rate at 10.40% (2024:10.40%) per annum. Imputed interest of approximately HK\$450,000 (equivalent to approximately RMB412,000) (2024: HK\$450,000 (equivalent to approximately RMB411,000)) (note 7 to the financial statements in this report) in respect of the corporate bonds was recognised in profit or loss during the year ended 31 December 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

RESULTS OF OPERATIONS (continued)

Lease liabilities

As at 31 December 2025, the lease liabilities amounted to approximately RMB53,200,000 (2024: RMB121,067,000). The decrease is mainly attributable to the early termination of leases during the year ended 31 December 2025.

Foreign exchange risk

The Group primarily operates its business in the Chinese Mainland and during the year ended 31 December 2025, the Group's revenue was primarily denominated in RMB, being the functional currency of the Group's major operating subsidiaries. Accordingly, the Directors expect any future exchange rate fluctuation will not have any material effect on the Group's business. The Group did not use any financial instruments for hedging purpose, but will continue to monitor foreign exchange changes to best preserve the Group's cash value.

Charge on assets

As at 31 December 2025, the Group had charged solar power plants, trade receivables, unlisted equity investments and pledged bank deposits with net book value of approximately RMB918,142,000 (2024: RMB970,437,000), approximately RMB677,955,000 (2024: RMB675,335,000), approximately RMBNil (2024: RMB256,990,000) and RMB19,078,000 (2024: RMB18,256,000), respectively, to secure bank loans and other loans facilities granted to the Group.

Save as disclosed above and in note 27 to the financial statements in this report, as at 31 December 2025, the Group had no other charges on assets.

Contingent liabilities

A principal subsidiary of the Company, 廣州寶乾互聯網小額貸款有限公司 (Guangzhou Baoqian Internet Microfinance Limited*) ("Guangzhou Baoqian"), conducts online joint-lending and micro-lending facilitation businesses in the Chinese Mainland through cooperation with third-party funding institutions.

Under the joint lending arrangements, Guangzhou Baoqian and its funding partners jointly provide loans to borrowers, with each party contributing an agreed proportion of the loan principal; and under micro-lending facilitation arrangements, Guangzhou Baoqian provides borrower sourcing, credit assessment and loan servicing services. The above arrangements contain contractual provisions requiring Guangzhou Baoqian to purchase delinquent loans assets under the contractual provisions upon the occurrence of specified trigger events.

As at 31 December 2025, the above obligations are conditional upon the occurrence of borrower default or other contractual trigger events. Accordingly, the Directors consider that these arrangements represent possible obligations under HKAS 37 Provisions, Contingent Liabilities and Contingent Assets. No provision has been recognised in the consolidated financial statements as the relevant trigger events had not occurred as at the reporting date.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

RESULTS OF OPERATIONS (continued)

Contingent liabilities (continued)

The Group acquired equity interests of certain subsidiaries principally engaged in the development of solar power plant projects and the applications for the development of these solar power plant projects were actually made by their former shareholders. According to certain notices (the "Notices") issued by the State Energy Administration (國家能源局), the Notices prohibit the original applicants who have obtained the approval documents from the government authorities for the solar power plants projects from transferring the equity interests of solar power plant projects before such solar power plants were connected to the power grid. Therefore, these subsidiaries may be subject to fines or other adverse consequences imposed by the relevant PRC government authorities in the future. The relevant PRC government authorities are currently conducting nationwide inspections on matters such as compliance with equity transfer of solar power plants and full grid-connected power generation time. The Group will actively cooperate with the relevant PRC government authorities in inspections if necessary and assess the impact of the inspection results on the development of the Group's solar power plants in a timely manner.

Save as disclosed above, as at 31 December 2024 and 2025, the Group has no other significant contingent liabilities.

Employees and remuneration policy

As at 31 December 2025, the Group had approximately 133 (2024: 101) employees in Hong Kong and the PRC. Compensation for the employees includes basic wages, variable wages, bonuses and other staff benefits. For the year ended 31 December 2025, the total employee benefit expenses from continuing operations (including directors' emoluments) were approximately RMB38,390,000 (2024: RMB130,787,000). For details, please refer to note 8 in the financial statements to this report. The remuneration policy of the Group is to provide remuneration packages, including basic salary, short-term bonuses and long-term rewards such as share options, so as to attract and retain top quality staff. The remuneration committee of the Company reviews such packages annually, and when occasion requires.

SIGNIFICANT INVESTMENTS

During the year ended 31 December 2025 and as at 31 December 2025, the Group did not have any significant investments with a value of 5% or more of the Company's total assets.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES

References are made to the Company's announcement dated 11 August 2023 and the Company's circular dated 31 August 2023 in relation to the disposal of certain subsidiaries engaged in solar power generation in the PRC. The disposal of 嵊州懿輝光伏發電有限公司 (Shengzhou Yihui Photovoltaic Power Generation Limited*) ("Shengzhou Yihui") and 定邊縣智信達新能源有限公司 (Dingbian County Zhixinda New Energy Limited*) ("Dingbian County Zhixinda") was completed on 18 October 2023 and 20 October 2023, respectively. On 21 November 2025, both the Vendors and the Purchaser agreed to terminate the disposal of Huangshi Huangyuan, Dingbian Jingyang, Dingbian Wanheshun and Yulin Zhengxin. For details, please refer to the Company's announcement on 21 November 2025.

On 28 October 2025, 江山永泰投資控股有限公司 (Kong Sun Yongtai Investment Holding Co., Ltd.*) , an indirect wholly-owned subsidiary of the Company, as the vendor and 湖南尚謙新能源科技有限公司 (Hunan Shangqian New Energy Limited*) ("Hunan Shangqian"), as the purchaser entered into agreements, pursuant to which Hunan Shangqian agreed to purchase the entire equity interests in Beijing Sihai and Qianan Ruihao at a total consideration of RMB4,620,000. Completion of the disposals took place on 4 November 2025 and 7 November 2025, respectively.

On 27 November 2025, the Company, as the vendor and Liu Jialing, as the purchaser entered into an agreement, pursuant to which Liu Jialing agreed to purchase the entire equity interests in Quantum Bravo Limited at zero consideration. Completion of the disposal took place on 27 November 2025.

On 29 January 2024, 揚州啓星新能源發展有限公司 (Yangzhou Qixing New Energy Development Limited*) ("Yangzhou Qixing"), an indirect wholly-owned subsidiary of the Company, as the vendor and 北京億鑫豐泰科技合夥企業(有限合夥) (Beijing Yixin Fengtai Technology Partnership (Limited Partnership)*) ("Beijing Yixin") as the purchaser entered into an agreement, pursuant to which Yangzhou Qixing conditionally agreed to sell, and Beijing Yixin conditionally agreed to acquire, 60% equity interests in 陝西億潤新能源科技有限公司 (Shaanxi Yirun New Energy Technology Co., Ltd.*) ("Shaanxi Yirun") for a total consideration of RMB4,200,000 (the "Disposal"). Completion of the Disposal took place on 17 April 2024 upon which Shaanxi Yirun ceased to be a subsidiary of the Company and its financial results ceased to be consolidated in the financial statements of the Group. For details, please refer to the Company's announcements dated 29 January 2024 and 9 April 2024 and the Company's circular dated 20 March 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATED COMPANIES (continued)

On 15 August 2024, 深圳市江天永健科技有限公司 (Shenzhen Jiangtian Yongjian Technology Company Limited*) (a wholly-owned subsidiary of the Company) (the “Purchaser”), QUBOT Holdings Limited (the “Vendor”) and 北京思博慧醫科技有限公司 (the “Target Company”), among others, entered into an agreement, pursuant to which (i) the Purchaser conditionally agreed to subscribe for equity interest in the Target Company representing 20% of the total equity interest of the Target Company immediately after this subscription for a subscription price of RMB36,000,000 (the “Subscription”); and (ii) the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the sale interest representing 10% of the total equity interest of the Target Company immediately after the Subscription for a total consideration of RMB14,000,000 (the “Acquisition”), such that upon completion of the Subscription and the Acquisition, the Purchaser would be interested in 30% equity interest in the Target Company. The Target Company will not become a subsidiary of the Company as a result of the Subscription and the Acquisition and its financial results will not be consolidated in the financial statements of the Group. Completion of the Subscription and the Acquisition took place in December 2024. For details, please refer to the Company’s announcements dated 15 August 2024 and 15 October 2024.

On 30 December 2024, the Group entered into an equity transfer agreement with 上海仟榮臻投資諮詢有限公司 (Shanghai Qianrongzhen Investment Consulting Co., Ltd.*) in relation to the disposal of 69.45% equity interest in Beijing Eagle Eye for a total consideration of RMB1 (the “Beijing Eagle Eye Disposal”). The Beijing Eagle Eye Disposal was completed on 30 December 2024.

Save as disclosed above, there was no material acquisition or disposal of subsidiaries, joint ventures and associated companies by the Company during the year ended 31 December 2025.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group currently has no future plans for material investments and capital assets as at the date of this report.

PROSPECT

The prices of solar power generation equipment are expected to remain low in 2026. However, driven by China’s introduction of the “anti-involution” policy, a rebound may occur in the future. At the same time, trade frictions, challenges related to consumption and absorption, and uncertainties surrounding renewable energy support policies in European and American countries could also potentially impact market growth.

In 2025, benefiting from the policy support from all levels of the Chinese government, China’s clean energy industry continued to develop steadily, and the solar power generation industry maintained rapid growth, achieving a new breakthrough in installed capacity. According to the data released by the National Energy Administration, in 2025, China’s newly installed solar power generation capacity was approximately 318 million kW, and the cumulative installed capacity reached 1,200 million kW, representing a year-on-year increase of 35%. The total national solar power generation volume was 1.17 trillion kWh, representing a year-on-year increase of 40%.

Looking forward, the Group will continue the strategies on the operation of solar power plants, optimize asset allocation efficiency and step up to improve the efficiency of the equipment at the power plants, continue to develop its green finance and inclusive finance business, meanwhile strengthen the expansion of asset-light operations, strive to improve the Group’s operation structure and operating results, so as to maximize asset gains and value for the shareholders.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Hua Min (華民)

aged 52, was appointed as an executive Director on 23 December 2024. Mr. Hua has over 30 years of commercial experience in medical and related devices industry. Mr. Hua obtained a master's degree in software engineering from Beijing Institute of Technology. Mr. Hua currently holds 75% shareholdings of 華通民恒(重慶)互聯網信息服務有限公司 ("Huatong"), and he is also a director and a manager of Huatong since November 2021. Mr. Hua was a general manager of 萬康世紀科技(北京)有限公司 (currently a wholly owned subsidiary of Huatong) from 2019 to 2024 and chief executive officer of Nature's Farm Pte Ltd, a subsidiary of a company, the shares of which are listed on the Singapore Exchange Securities Trading Limited from 2017 to 2019. Mr. Hua was a general manager for international business section of China National Instruments Import & Export Group Corporation from 2014 and 2017 and also worked as various positions of China National Pharmaceutical Group Co Ltd from 1994 to 2014.

Mr. Li Guo (李果)

aged 38, was appointed as an executive Director and authorised representative of the Company on 23 December 2024 and 15 January 2025, respectively. Mr. Li joined the Group as a vice president in March 2024. He graduated from Renmin University of China with a degree of Master of Economics and is a chartered international investment analyst. Prior to joining the Group, he worked at China CITIC Financial AMC International Holdings Limited as department head of the company and its subsidiaries, and previously worked in a number of listed companies in Hong Kong, with over 13 years of experience in corporate management, asset management, mergers and acquisitions.

Ms. Liu Ying (劉鶯)

aged 49, was appointed as an executive Director on 15 January 2025. Ms. Liu was engaged in philanthropic work in the management of a public welfare project from January 2023 to December 2024. She joined 江山寶源國際租賃有限公司 (Kong Sun Baoyuan International Financial Leasing Limited*), a joint venture of the Company then, in October 2015 as the board secretary and financial controller and held various positions in the Group until December 2022, including general manager of the Group's finance department. She was a vice general manager of the finance department and capital operation department of Concord New Energy Group Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 182), from November 2007 to October 2015. She has over 20 years of experience in financial and corporate management. She obtained a bachelor's degree in Business Studies in Accountancy in Massey University of New Zealand in 2005. She has been a member of Association of Chartered Certified Accountant of United Kingdom since 2009. She obtained the qualification of Certified General Accountant in Canada in 2015.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT *(continued)*

NON-EXECUTIVE DIRECTOR

Mr. Jiang Hengwen (蔣恆文)

aged 57, was appointed as a non-executive Director and the chairman of the board of Directors of the Company on 26 August 2019 and 25 November 2022, respectively. Mr. Jiang has extensive experience in overseas investment and finance and securities industries. Mr. Jiang served as the managing vice president of 湖南省優金商務諮詢有限公司 (Hunan Youjin Business Consulting Co., Ltd.*), the senior analyst of the fund department of RBC Global Asset Management Inc. and the manager of the investment department of 湖南省金帆投資(集團)公司 (Hunan Jinfan Investment (Group) Co., Ltd.*). Mr. Jiang obtained a bachelor's degree in international finance from the School of 對外經濟貿易大學中國金融學院 (Banking and Finance, University of International Business and Economics*) in the PRC and a master degree from John Molson School of Business in Canada.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Qin Junyi (秦君宜)

aged 45, was appointed as an independent non-executive Director on 23 December 2025. Mr. Qin obtained a Bachelor of Arts from Northwest University of Political Science and Law in July 2002 and a Master of Laws from Renmin University of China in July 2004. Mr. Qin served in a department of the Beijing Municipal Government from July 2004 to February 2024. From February 2024 to February 2025, he served in a unit under the State Grain Administration.

Ms. Sun Yiwen (孫益文)

aged 55, was appointed as an independent non-executive Director on 7 May 2025. Ms. Sun is a certified public valuer and a certified public accountant in the People's Republic of China. She has been a fellow member of the Chinese Institute of Certified Public Accountants since 2010. Ms. Sun obtained a degree in economics from Hunan University of Finance and Economics in July 1992 and a degree in Executive Master of Business Administration from the School of Business Administration of Hunan University in 2014. Ms. Sun has over 32 years of experience in the accounting industry. She has been the deputy director of 恒信弘正會計師事務所 (Hengxin Hongzheng Certified Public Accountants) since October 2023. Prior to that, she was an executive director of 湖南金信達會計師事務所有限公司 (Hunan Jinxinda Accounting Firm Co., Ltd.) from September 2019 to October 2023. She was a partner of 信永中和會計師事務所(特殊普通合伙) (ShineWing Certified Public Accountants (Special General Partnership)) from October 2009 to August 2019. Ms. Sun has been an independent director of 海南神農種業科技股份有限公司 (Hainan Shennong Seed Industry Technology Co., Ltd), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 300189) since May 2022. She was also an independent director of 江蘇益客食品集團股份有限公司 (JiangSu YiKe Food Group Co., Ltd.), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 301116) from September 2019 to June 2023.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT *(continued)*

INDEPENDENT NON-EXECUTIVE DIRECTORS *(continued)*

Mr. Tang Jian (唐健)

aged 65, was appointed as an independent non-executive Director on 11 June 2024. Mr. Tang has over 35 years of commercial experience. Mr. Tang obtained a master's degree in economics from Dongbei University of Finance and Economics and holds the title of senior economist. Mr. Tang served as a non-executive director of the Postal Savings Bank of China (Stock code: 1658) from January 2013 to January 2020. He previously served as Deputy Director of the General Business Division and Deputy Director of the Management Division II of the Foreign Financial Institution Department under the People's Bank of China (the "PBOC"), Assistant Consultant and Deputy Director of the Policy Bank Regulatory Division, Deputy Director of the Policy Bank Regulatory Division I, Deputy Director and Consultant of the Postal Savings Institution Supervision Division of the Bank Regulatory Department I of the PBOC, Director of the Postal Savings Institution Supervision Division of the Banking Regulatory Department III, Director of the Postal Savings Institution On-site Supervision Division of the Banking Regulatory Department IV, Director of the On-site Supervision Division of the Banking Regulatory Department IV, and Associate Counsel of the Banking Regulatory Department IV of the China Banking Regulatory Commission (now China Banking and Insurance Regulatory Commission), non-executive director of the Postal Savings Bank of China, etc.

SENIOR MANAGEMENT

Mr. Ching Kin Wai (陳健威)

aged 39, was appointed as the company secretary and the authorised representative of the Company on 24 July 2020. Mr. Ching joined the Group in November 2018 as finance manager. He has over 15 years of professional experience in accounting, auditing and financial management. He obtained a bachelor's degree in Business Administration in Accountancy in City University of Hong Kong in 2009. He has been a member of the Hong Kong Institute of Certified Public Accountants since July 2013.

There is no relationship (including financial, business, family or other material/relevant relationship) between any members of the Board, and no information relating to the Directors which is required to be disclosed pursuant to Rules 13.51(2) and 13.51B(1) of the Listing Rules.

DIRECTORS' REPORT

The Board is pleased to present the annual report and the audited financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are investment in and the operation of solar power plants and provision of financial services.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 121 to 122.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

There is no arrangement under which a shareholder of the Company has waived or agreed to waive any dividend.

Dividend Policy

Declaration of dividend is subject to the discretion of the Board, taking into consideration of, among others, the following factors:

- (i) financial results;
- (ii) shareholders' interests;
- (iii) general business conditions and strategies;
- (iv) capital requirements;
- (v) taxation considerations;
- (vi) contractual, statutory and regulatory restriction, if any; and
- (vii) any other factors that the Board may deem relevant.

Subject to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the articles of association of the Company (the "Articles"), the Company may from time to time declare dividends to be paid to the members of the Company but no dividend shall be declared in excess of the amount recommended by the Board.

The Board may also from time to time pay to the members of the Company such interim dividends as appear to the Board to be justified by the position of the Company. In accordance with the Articles, dividends may be declared and paid out of the profits of the Company. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose for which the profits of the Company may be properly applied.

The Company does not have any pre-determined payout ratio.

DIRECTORS' REPORT *(continued)*

RESULTS AND DIVIDEND *(continued)*

Dividend Policy *(continued)*

Any amendments to this dividend policy must be approved by the Board.

EVENTS AFTER REPORTING DATE

On 13 March 2026, 濟南天冠能源科技有限公司 (Jinan Tianguan Energy Technology Co., Ltd.*) an indirect wholly-owned subsidiary of the Company, entered into equity transfer agreements with 江山寶源國際融資租賃有限公司 (Kong Sun Baoyuan International Financial Leasing Limited*) ("Kong Sun Baoyuan"), an associate of the Group, in relation to the acquisition of the 100% interest in 烏拉特中旗天楷新能源科技有限公司 (Urad Zhongqi Tiankai New Energy Technology Co., Ltd.*) and 海興縣江山新能源有限公司 (Haixing Kongsun New Energy Technology Co., Ltd.*), with a total consideration of approximately RMB2,055,000. The acquisitions were completed on 13 March 2026 and 19 March 2026, respectively.

On 16 March 2026, 江山永暉能源科技有限公司 (Kong Sun Yonghui Energy Limited*) ("Kong Sun Yonghui"), an indirect wholly-owned subsidiary of the Company, and Kong Sun Baoyuan, an associate of the Company, entered into a loan agreement, pursuant to which Kong Sun Yonghui agreed to grant a loan of RMB90,000,000 to Kong Sun Baoyuan at an interest rate of 6% per annum for a term of 36 months.

Reference is made to the Company's announcement dated 16 March 2026 (the "March Announcement").

Unless otherwise defined, capitalised terms used in the following section shall have the same meanings as defined in the March Announcement.

1. Credit Risk Assessment and Repayment Capability of the Borrower

Prior to entering into the Loan Agreement, the Group conducted credit risk assessment on the Borrower, which included re conducting due diligence on its principal business, financial strength and repayment capability, performing litigation and winding up searches, liaising with the Borrower for ensuring the terms of the Loan (including interest rate, tenure, collateral and its enforcement risk) are commercially justifiable and adequate to safeguard the Group's interests, and engaging an independent professional valuer to conduct a valuation against the market value of the accounts receivables under the Accounts Receivable Pledge (the "Valuation").

Based on unaudited financial information provided by the Borrower, as at 28 February 2026, the Borrower recorded a net asset value of approximately RMB251,000,000 and a net current asset value of approximately RMB166,000,000. Having regard to such financial position, the Board does not foresee any repayment difficulty in relation to the Loan.

The Borrower is an associate of the Company, with the Company indirectly holding approximately 37.6% of its equity interest and having board representation, which gives the Group ongoing visibility over the Borrower's business operations, financial position and cash flow status. The Group has ongoing access to the Borrower's financial information as a shareholder, which enables effective and continuous monitoring of its financial position and cash flows. The Board considers that the Borrower has an acceptable and manageable credit profile.

DIRECTORS' REPORT *(continued)*

EVENTS AFTER REPORTING DATE *(continued)*

2. Accounts Receivable Pledge – Nature, Valuation and Recoverability

The Accounts Receivable Pledge was created over specific and identified receivables generated from commercial factoring contracts entered into by 天津市寶坤商業保理有限公司(Tianjin Baokun Commercial Factoring Co., Ltd*), a wholly owned subsidiary of the Borrower.

The pledged receivables comprise clearly identified payment obligations under several commercial factoring contracts, with defined obligors, receivable amounts and payment schedules. The Accounts Receivable Pledge constitutes a specific pledge rather than a floating pledge and has been duly registered in accordance with applicable legal requirements. All collections of the pledged receivables are required to be paid into a designated supervised bank account, with account operation and withdrawals subject to agreed control arrangements between the pledgee and the pledgor.

The Valuation conducted as at 31 December 2025 assessed the market value of the pledged receivables at approximately RMB113,820,000, resulting in a loan to collateral value ratio of approximately 79.1%.

Having considered the legally enforceable nature of the pledge, the cash flow supervision arrangements, the credit profile and historical payment performance of the underlying factoring contracts, and the pledgee's priority right of repayment upon enforcement, the Board is of the view that the pledged accounts receivable are recoverable and that the credit risk associated with the Loan is appropriately mitigated.

3. Underlying Commercial Factoring Agreements

After reasonable enquiries made to the Borrower, there are no long outstanding payments under the underlying commercial factoring agreements. The relevant factoring arrangements commenced from February 2025 and are expected to end in August 2026.

4. Previous Loans – Repayment History

The original maturity dates of the previous loans granted to the Borrower (the "Previous Loans") are as follows:

- the loan granted on 1 November 2022 matured on 1 November 2025;
- the loan granted on 11 January 2023 matured on 11 January 2026; and
- the loan granted on 10 February 2025 will mature on 10 February 2028.

The principal amounts and accrued interests (including default interest) of the loans granted in 2022 and 2023 were fully repaid by the end of March 2026, notwithstanding certain delays beyond the original maturity dates. Default interest was imposed and collected in accordance with the relevant loan agreements. The loan granted in 2025 has not yet matured as at the date of this report.

DIRECTORS' REPORT *(continued)*

EVENTS AFTER REPORTING DATE *(continued)*

5. Board's Assessment on Likelihood of Default of the Loan

In assessing whether the Loan is likely to be defaulted, the Board took into account, among others:

- (i) the Borrower's financial strength and liquidity position as at 28 February 2026;
- (ii) the asset backed nature of the Borrower's finance leasing and commercial factoring businesses and the absence of long outstanding payments under the underlying factoring arrangements;
- (iii) the availability of specific and legally enforceable collateral under the Accounts Receivable Pledge with a loan to collateral value ratio of approximately 79.1%;
- (iv) the Group's equity interest in the Borrower, board representation and ongoing access to its financial and operational information; and
- (v) the Borrower's demonstrated ability to fully repay the loans granted in 2022 and 2023, including default interest, despite prior timing delays.

Taking these factors together, the Board is of the view that the Borrower has adequate repayment capability and that the credit risk of the Loan is appropriately mitigated.

6. Impairment Loss on the Previous Loans

The Company recognised impairment loss on the Previous Loans primarily as a result of the application of Hong Kong Financial Reporting Standard 9 (HKFRS 9) and the expected credit loss model, rather than any material deterioration in the Borrower's creditworthiness. No actual credit loss was incurred.

Following full repayment of the loans granted in 2022 and 2023 by the end of March 2026, the related impairment loss was fully reversed. As the loan granted in 2025 has not yet matured, the impairment loss in respect of such loan has not been reversed.

7. Use of Proceeds

Having regard to the business nature of the Borrower, which is principally engaged in finance leasing and commercial factoring businesses in the PRC, the Loan is intended to be applied towards the Borrower's general working capital needs in the ordinary and usual course of its business.

According to the information provided by the Borrower, the Loan may be used (i) to fund the upfront capital required for the origination of new finance lease arrangements; (ii) to supplement liquidity for the refinancing or rollover of existing lease or factoring assets and to bridge timing differences between capital outflows and inflows; and (iii) to meet day-to-day operational expenses of the Borrower, including staff costs, administrative expenses, information technology systems, compliance costs incurred in the ordinary course of business.

Save as disclosed above and note 39 to the consolidated financial statements, there are no other material events affecting the Group which have occurred after 31 December 2025 and up to the date of approval of this report.

DIRECTORS' REPORT *(continued)*

FINAL DIVIDEND

The Directors did not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: nil).

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion of the Group's future business development are set out in the Chairman's Statement on pages 4 to 5 of this annual report. An analysis of the Group's performance during the year using financial key performance indicators is set out in the section headed "Management Discussion and Analysis" on pages 7 to 28 of this annual report.

ENVIRONMENTAL PROTECTION AND COMPLIANCE WITH LAWS AND REGULATIONS

The Group is committed to supporting environmental sustainability. The Group is committed to maintaining sustainable working practices and pays close attention to ensure all resources are efficiently utilised. The Group strives to an environmental friendly corporation by saving electricity and encouraging recycling of office supplies and other materials.

During the year ended 31 December 2025, to the best knowledge of the Directors, the Group has complied with relevant laws and regulations that have significant impact on the operations of the Group. Further, any changes in applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

DIRECTORS' REPORT *(continued)*

RELATIONSHIP WITH STAKEHOLDERS

The Group recognises that employees, customers and business partners are keys to its sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality services to its customers and enhancing cooperation with its business partners.

The Company provides a fair and safe workplace, promotes diversity to its staff, provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts ongoing efforts to provide adequate trainings and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions.

The Group understands that it is important to maintain good relationship with customers and provide the products in a way that satisfy needs and requirements of the customers. The Group enhances the relationship by continuous interaction with customers to gain insight on the changing market demand for the products so that the Group can respond proactively. The Group has also established procedures in place for handling customers' complaints to ensure customers' complaints are dealt with in a prompt and timely manner.

The Group is also dedicated to developing good relationship with suppliers and contractors as long-term business partners to ensure stability of the Group's business.

POSSIBLE RISKS AND UNCERTAINTIES FACING THE COMPANY

The Group's financial conditions, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The following are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties which are not known to the Group or which may not be material now but could turn out to be material in the future.

Policy risk

Policies made by the Government have a pivotal role in the solar power industry. Any alteration to the preferential tax policies, on-grid tariff subsidies, generation dispatch priority, incentives, laws and regulations would cause substantial impact on the solar power industry. Although the Chinese Government has been supportive in aiding the growth of the renewable industry by carrying out a series of favourable measures, it is possible that these measures will be modified abruptly. In order to minimise this risk, the Company will strictly follow the rules set out by the government, and will pay close attention to policy makers in order to foresee any disadvantageous movements.

Grid curtailment risk

As impacted by economic slowdown, structural changes in the economy, and the implementation of energy conservation policy, China has experienced a mild rise in electricity consumption. With the growth in power generating capacity outpaced electricity consumption growth, it has led to utilisation decline for power generating capacity across the country since 2014. Although solar power has a higher dispatch priority over conventional power generation in China, given electricity generated from areas with rich solar energy resources cannot be fully consumed in the provinces, and the excess electricity cannot be transmitted to other regions with higher power demand given limited power transmission capacity, grid curtailment has become an issue with high degree of concern for solar power. In this regard, the Group mainly focuses on developing solar power projects in regions with well-developed inter-provincial power transmission network or with strong domestic power demand, hence, minimising grid curtailment risk.

DIRECTORS' REPORT *(continued)*

POSSIBLE RISKS AND UNCERTAINTIES FACING THE COMPANY *(continued)*

Risk associated with tariffs

Power tariffs are one of the key earning drivers for the Company. Any adjustment to tariffs might have an impact on the profitability of new solar power projects. The relevant PRC government authorities carry out inspections on matters such as compliance with equity transfer and the time for full on-grid power connection of solar power plants from time to time. The results of such inspections may affect the tariff subsidies of solar power plants. In order to mitigate such risks, the Company will continue to actively cooperate with the relevant PRC government authorities to review and assess the impact of the results on the development of the Group's solar power plants in a timely manner.

In 2025, the National Development and Reform Commission and the National Energy Administration issued policies on deepening the market-oriented reform of on-grid electricity prices for new energy, promoting the participation of new energy on-grid electricity in market trading. These policies require that the on-grid electricity of new energy projects, including solar power generation, be fully introduced into the electricity market in principle, with on-grid electricity prices determined through market transactions. Market transaction electricity prices are significantly affected by short-term supply and demand dynamics, and there is a risk that the final settlement electricity price obtained by the Company may decline.

Business Risk

All of the operating assets and businesses of the Group are located in the PRC and the Group expects that a majority of the turnover will continue to be derived from the operations in the PRC. The results of operations and prospects are subject, to a significant degree, to economic, political and legal developments in the PRC. The economy of the PRC differs from the economies of most developed countries in many respects, including the extent of government involvement, the level of development, the growth rate, and government control of foreign exchange. In recent years, the continuous decline in Renminbi interest rates and the intensified competition in the credit industry may further compress the profit margin of the financial business, while the deterioration of economic conditions of customers may lead to credit losses. The Group's diversified businesses are dependent on various factors such as R&D, market expansion and team management, and may not develop as expected. The Group cannot predict whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any material adverse effect on the current or future business, results of operations or financial condition of the Group.

Foreign Currency Risk

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is Renminbi. Any depreciation of Renminbi would adversely affect the value of any dividends the Group pays to shareholders outside of the PRC. The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

Financial Risk

The financial risk management of the Group is set out in note 35 to the consolidated financial statements.

DIRECTORS' REPORT *(continued)*

FINANCIAL STATEMENTS

The financial performance of the Group for the year ended 31 December 2025 and the financial position of the Group as at that date are set out on pages 121 to 124.

RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2025 are set out on page 125.

DISTRIBUTABLE RESERVES

As at 31 December 2025 and 2024, the Company had no reserves available for distribution.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 210 of this annual report.

FIXED ASSETS

Details of movements during the year ended 31 December 2025 in the property, plant and equipment, solar power plants, and right-of-use assets of the Group are set out in notes 15, 16 and 17(a) to the financial statements, respectively.

SHARE CAPITAL

Changes in share capital of the Company for the year ended 31 December 2025 and as at that date are set out in note 30 to the financial statements.

CONNECTED TRANSACTIONS

During the year ended 31 December 2025, the Group did not enter into any connected transactions.

RELATED PARTY TRANSACTIONS

A summary of the related party transactions entered into by the Group during the year ended 31 December 2025 is contained in note 34 to the financial statements.

The Directors confirmed that all such related party transactions do not fall within the definition of "connected transactions" or "continuing connected transactions" or are fully exempted under Chapter 14A of the Listing Rules (as the case may be). The Directors confirmed that they have complied with the disclosure requirements in Chapter 14A of the Listing Rules during the year ended 31 December 2025.

DIRECTORS' REPORT *(continued)*

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the laws of Hong Kong, which would oblige the Company to offer new shares to existing shareholders on a pro-rata basis.

SHARE SCHEME

Pursuant to a resolution of the shareholders of the Company passed on 12 December 2025, the Company has adopted a share scheme (the "Share Scheme").

Unless otherwise stated, capitalised terms used in this following section shall have the same meanings as those defined in the circular of the Company dated 24 November 2025.

1. Purpose of the Share Scheme

The purpose of the Share Scheme is to acknowledge the contribution to the Group of, and provide incentive to, the Eligible Participants in order to promote the development and success of the business of the Group. The Share Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long term growth of the Group.

2. Eligibility

The Eligible Participants are the Employee Participants.

In determining the basis of eligibility for Employee Participants, the factors in assessing whether any person is eligible to participate in the Share Scheme include: (1) the performance of the Employee Participant; (2) the skill, knowledge, experience, expertise and other personal qualities of the Employee Participant, (3) time commitment, responsibilities or employment conditions of the Employee Participant according to the prevailing market practice and industry standard; (4) the length of employment with the Group; and (5) the contribution or potential contribution of the Employee Participant to the development and growth of the Group.

3. Total number of shares available

The total number of Shares which may be issued (including any transfer of treasury shares of the Company) in respect of all Awards which may be granted under the Share Scheme is set out in the paragraph headed "7. SCHEME LIMIT AND ADDITIONAL APPROVALS" in the Appendix to the circular dated 24 November 2025 made by the Company (the "Circular").

The total number of Shares which may be issued upon exercise of all Awards to be granted under the Share Scheme together with all options and awards which may be granted under any other schemes for the time being of the Company would be 1,496,444,251 Shares, representing approximately 10% of the issued share capital of the Company (excluding treasury shares) on the date of approval of the Share Scheme (the "Scheme Mandate Limit") and representing approximately 10% of the issued share capital of the Company (excluding treasury shares) as at the date of this report. As at the date of this report, the total number of Shares available for issue under the Share Scheme was 1,496,444,251 Shares.

Pursuant to Rule 17.07(2) of the Listing Rules, the number of options and awards available for grant under the Scheme Mandate Limit as at 1 January 2025 was nil (as the Share Scheme had not yet been adopted), and as at 31 December 2025 was 1,496,444,251.

DIRECTORS' REPORT *(continued)*

4. Maximum entitlement of each Eligible Participant

Where any grant of an Award to an Eligible Participant would result in the Shares issued and to be issued (including any transfer of treasury shares of the Company) in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve (12)-month period up to and including the date of such grant representing in aggregate exceeding 1% of the Shares in issue (excluding treasury shares), such grant must be separately approved by the Shareholders in a general meeting of the Company with such Eligible Participant and the person's close associates (or associates if the Eligible Participant is a connected person) abstaining from voting.

The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Awards to be granted (and Awards previously granted to such Eligible Participant during the twelve (12)-month period), the purpose of granting the Awards to the Eligible Participant, an explanation as to how the terms of the Awards serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the Exercise Price or Issue Price) of the Award to be granted to such Eligible Participant must be fixed before the Shareholders' approval. For the grant of Share Options, the date of the meeting of the Board for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

5. Period within which the option may be exercised

The period to be determined and notified by the Company to the grantee thereof at the time of making an offer provided that such period shall not go beyond the day immediately prior to the tenth (10th) anniversary of the date of grant with respect of the relevant Award.

6. Vesting period

Save for the circumstances prescribed below, an Award must be held by the grantee for a period that is not shorter than the Minimum Period before the Award can be exercised. The Board may at its absolute discretion grant Awards to Employee Participants only with a vesting period shorter than the Minimum Period in the following specific circumstances:

- (1) grants of "make-whole" Awards to new joiners to replace the award shares they forfeited when leaving the previous employers;
- (2) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (3) grants that are made in batches during a year for administrative and compliance reasons (such as to save administrative time and compliance costs, to coincide with the regular or scheduled meetings of the Board and/or the Remuneration Committee, etc.), which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch;
- (4) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of twelve (12) months; or

DIRECTORS' REPORT *(continued)*

- (5) grants with performance-based vesting conditions in lieu of time-based vesting criteria;

each of which are considered appropriate to provide flexibility to grant Awards (a) as part of competitive terms and conditions to induce valuable talent to join the Group (sub-paragraphs (1) and (4)); (b) reward past contribution which may otherwise be neglected due to administrative or technical reasons (sub-paragraphs (2) and (3)); (c) reward exceptional performers with accelerated vesting (sub-paragraph (4)); (d) to motivate exceptional performers based on performance metrics rather than time (subparagraph (5)); and (e) in exceptional circumstances where justified (sub-paragraphs (1) to (5)), which is consistent with the purpose of the Share Scheme.

7. Consideration

An offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all the Award Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Participant, together with a payment in favour of the Company of HK\$1.00 or such other amount (if any) as may be determined by the Board as consideration for the grant thereof, is received by the Company.

8. Basis for determining the Exercise Price and Issue Price and exercise of Awards

- (1) The Exercise Price (in respect of Share Options) shall, subject to any adjustment made pursuant to the terms of the Share Scheme, be determined by the Board at its absolute discretion, provided that it shall be not less than the highest of: (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day; and (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive days on which the Shares are traded on the Stock Exchange immediately preceding the date of grant.
- (2) The Issue Price (in respect of Share Awards) shall be such price determined by the Board in its absolute discretion and notified to the grantee in the offer letter. For the avoidance of doubt, the Board may determine the Issue Price to be nil.

9. Scheme Mandate Limit

The Share Scheme was adopted on 12 December 2025.

The total number of Shares which may be issued (including any transfer of treasury shares of the Company) in respect of all Awards which may be granted at any time under the Share Scheme together with options and awards which may be granted under any other schemes of the Company shall not exceed the Scheme Mandate Limit, that is 1,496,444,251 Shares. Awards lapsed in accordance with the terms of the Share Scheme (and other schemes of the Company) will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. As at the end of 31 December 2025, the number of options and awards available for grant under the Scheme Mandate Limit remained subject to the aforesaid 10% limit (1,496,444,251 Shares), after taking into account any grants made during the period. The Share Scheme does not provide for a service provider sublimit.

DIRECTORS' REPORT *(continued)*

10. Remaining life of the Scheme

The Share Scheme shall be valid and effective for a period of ten (10) years commencing from the Adoption Date (i.e. 12 December 2025), being the date on which the Share Scheme is approved by the Shareholders.

As at 31 December 2025, no share award or share option was granted under the Share Scheme since its adoption. As at the date of this report, no share award or share option was to be granted under the Share Scheme. There was no service provider sublimit at the beginning and end of the financial year ended 31 December 2025.

As at 31 December 2025, no grant was required review by Remuneration Committee.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

CHARITABLE DONATIONS

During the year ended 31 December 2025, the Group made charitable and other donations in an amount of approximately RMB8,000 (2024: RMB3,204,000).

LOANS AND BORROWINGS AND CORPORATE BONDS

Particulars of loans and borrowings and corporate bonds of the Group as at 31 December 2025 are set out in notes 27 and 28 respectively to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31 December 2025, neither the Company nor its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

As at 31 December 2025, the Company did not have any treasury shares (as defined in the Listing Rules).

DIRECTORS' REPORT *(continued)*

DIRECTORS

The Directors during the year and up to the date of this annual report were:

Executive Directors

Mr. Li Guo

Ms. Liu Ying *(Appointed on 15 January 2025)*

Mr. Hua Min *(Resigned on 1 April 2026)*

Mr. Xian He *(Resigned on 15 January 2025)*

Non-executive Directors

Mr. Jiang Hengwen *(Chairman)*

Mr. Wu Zhenzhou *(Appointed on 15 January 2025 and resigned on 16 October 2025)*

Independent non-executive Directors

Mr. Qin Junyi *(Appointed on 23 December 2025)*

Ms. Sun Yiwen *(Appointed on 7 May 2025)*

Mr. Tang Jian

Ms. Tang Yinghong *(Resigned on 23 December 2025)*

Ms. Wu Wennan *(Resigned on 7 May 2025)*

In accordance with article 82 of the Company's Articles, Mr. Qin Junyi will retire and, being eligible, will offer himself for re-election at the annual general meeting of the Company to be held on Friday, 5 June 2026 (the "AGM").

In accordance with articles 86 to 89 of the Company's Articles, at every annual general meeting of the Company, one third of the Directors for the time being or, if their number is not three or a multiple of three (3), then the number nearest to but not less than one-third shall retire from office by rotation. Accordingly, Mr. Li Guo and Ms. Liu Ying will retire from office by rotation and, being eligible, will offer themselves for re-election as Director at the AGM.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors (including executive Directors, non-executive Directors and independent non-executive Directors) has signed a service contract or a letter of appointment with the Company. The term of service of each of the directors is three years commencing from each of his/her date of appointment, except for Mr. Jiang Hengwen, Mr. Qin Junyi, Ms. Sun Yiwen and Mr. Tang Jian who have no fixed term of service. Each of the Directors will hold office only until the next following annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at that meeting and retirement by rotation at the subsequent annual general meetings of the Company in accordance with the Articles.

None of the Directors has a service contract or a letter of appointment with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

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 financial year under review.

DIRECTORS' REPORT *(continued)*

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent.

DIRECTORS' REMUNERATION

The remuneration committee of the Company (the "Remuneration Committee") considers and recommends to the Board the remuneration and other benefits paid by the Company to the Directors. The remuneration of all Directors is determined with reference to the Directors' duties, responsibilities, performances and the results of the Group and is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate. Details of Directors' remuneration are set out in note 9 to the financial statements.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 29 to 31.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

There was no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party to and in which a Director or any entity connected with the Director has a material interest in, whether directly or indirectly, and which subsisted during or at the end of the financial year under review or at any time during the financial year under review.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

No contracts of significance between the Group and the controlling shareholders of the Company or any of its subsidiaries have been made during the year ended 31 December 2025.

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

At no time during the financial year under review were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or their respective associates held any interests in any business which competes or is likely to compete (either directly or indirectly) against the Company or any of its jointly controlled entities and subsidiaries for the year ended 31 December 2025.

DIRECTORS' REPORT *(continued)*

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests or short positions of each Director and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which were required to be recorded in the register required to be kept pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of the Company (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange to be notified to the Company and the Stock Exchange.

As at 31 December 2025, none of the Directors and chief executive of the Company, or their respective associates, had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company or the Stock Exchange under the Model Code.

SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director, as at 31 December 2025, the following person, other than a Director or chief executive of the Company, had or was deemed or taken to have an interest or short position in the shares or underlying shares of the Company would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Nature of interest	Number of shares or underlying shares held ⁽²⁾	Percentage of shareholding ⁽¹⁾
Xiang Jun	Beneficial owner	756,831,000 (L)	5.06%

Notes:

⁽¹⁾ The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 31 December 2025 being 14,964,442,519 shares.

⁽²⁾ The letter "L" denotes the person's long position in such securities.

Save as disclosed above, as at 31 December 2025, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules (excluding treasury shares, if any) for the year ended 31 December 2025 and as at the date of this annual report.

DIRECTORS' REPORT *(continued)*

RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately. As stipulated by the regulations of the PRC, the Group participates in various defined contribution retirement plans organised by municipal and provincial governments for its employees. The Group is required to make contributions to the retirement plans at 20% of the salaries, bonuses and certain allowances of the employees. A member of the plan is entitled to a pension equal to a fixed proportion of the salary prevailing at the member's retirement date. The Group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above. For the year ended 31 December 2025, the Group's total contributions to the retirement schemes charged in the consolidated statement of profit or loss from continuing operations amounted to approximately RMB6,256,000 (2024: RMB23,302,000). The Group has no forfeited contributions from pension schemes which are available to reduce its contributions to its pension schemes in future years.

DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the boards of the subsidiaries of the Company during the year under review and up to the date of this report are kept at the Company's registered office and available for inspection by the shareholders of the Company during business hours.

PERMITTED INDEMNITY

The Company's Articles provide that every Director shall be entitled to be indemnified out of the funds of the Company against all liabilities incurred by him as such director, executive director, manager, secretary, officer or auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. Such provisions were in force during the course of the financial year ended 31 December 2025 and remained in force as of the date of this annual report.

CLOSURE OF REGISTER OF MEMBERS TO ASCERTAIN SHAREHOLDERS' ENTITLEMENT TO ATTEND AND VOTE AT THE AGM

The Company's register of members will be closed from Monday, 1 June 2026 to Friday, 5 June 2026 (both days inclusive), during which no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 29 May 2026.

DIRECTORS' REPORT *(continued)*

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has been established in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules and with written terms of reference in compliance with the Corporate Governance Code set forth under Appendix C1 to the Listing Rules (the "CG Code"). The primary responsibilities of the Audit Committee are to review and monitor the financial reporting and internal control principles of the Company and to assist the Board to fulfill its responsibilities for audit.

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2025 and has also reviewed and confirmed the accounting principles and practices adopted by the Group and discussed the auditing, internal control and financial reporting matters.

As at 31 December 2025 and the date of this report, the composition of the Audit Committee is set out as follows:

Ms. Sun Yiwen (*Chairman*)

Mr. Qin Junyi

Mr. Tang Jian

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 50 to 66 of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Information on the Company's implementation of environmental and social responsibilities is set out in the Environmental, Social and Governance report on pages 67 to 114 of this annual report.

AUDITOR

On 7 January 2025, BDO Limited resigned as auditor of the Company. The Board appointed Suya WWC CPA Limited as the new auditor of the Company to fill the vacancy following the resignation of BDO Limited with effect from 7 January 2025. Save as disclosed above, there was no other change in auditor of the Company during the past three years.

The consolidated financial statements of the Group for the year ended 31 December 2025 were audited by Suya WWC CPA Limited, who will retire and, being eligible, offer themselves for re-appointment at the AGM. A resolution will be proposed to the shareholders at the AGM to re-appoint Suya WWC CPA Limited as auditor of the Company.

DIRECTORS' REPORT *(continued)*

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, the aggregate amount of purchases (not including those which are of capital nature) attributable to the Group's five largest suppliers represented less than 30% of the Group's total purchases.

During the year under review, the Group's five largest customers accounted for approximately 55.8% (2024: 49.6%) of the Group's total sales. The largest customer accounted for approximately 20.8% (2024: 19.4%) of the Group's total sales.

To the best of the knowledge of the Directors, none of the directors, their close associates or substantial shareholders of the Company who own more than 5% of the Company's issued share capital had any interest in the share capital of any of the Group's five largest suppliers or customers.

BY ORDER OF THE BOARD

Jiang Hengwen

Chairman and non-executive Director

Hong Kong
27 March 2026

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this Corporate Governance Report of the Group for the year ended 31 December 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investors' confidence in the Company and the Company's accountability. The Company has adopted the CG Code contained in Appendix C1 to the Listing Rules for its corporate governance practices during the year ended 31 December 2025. In the opinion of the Board, the Company has complied with the applicable code provisions as set out in Part 2 of the CG Code throughout the year ended 31 December 2025.

THE BOARD

As at 31 December 2025, the Board consists of seven Directors, three of whom are executive Directors, one of whom is a non-executive Director and three of whom are independent non-executive Directors. The functions and duties conferred on the Board include convening shareholders' meetings and reporting on the work of the Board to the shareholders at shareholders' meetings as may be required by applicable laws, implementing resolutions passed at shareholders' meetings, determining the Company's business plans and investment plans, formulating the Company's annual budget and final accounts, formulating the Company's proposals for dividend and bonus distributions as well as exercising other powers, functions and duties as conferred on it by the Articles and applicable laws. The senior management is delegated with the authority and responsibilities by the Board for the day-to-day management and operations of the Group. The Board meets regularly to review the financial and operating performance of the Company, and considers and approves the overall strategies and policies of the Company. The composition of the Board is well balanced with the Directors having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The executive Directors, non-executive Directors and independent non-executive Directors bring a variety of experience and expertise to the Company.

The Company has received an annual confirmation of independence from each of its independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. Based on the contents of such confirmation, the Company considers that the three independent non-executive Directors are independent and that they have met the specific independence guidelines as set out in Rule 3.13 of the Listing Rules.

During the year ended 31 December 2025, the Company had at all times complied with Rule 3.10 and Rule 3.10A of the Listing Rules.

All Directors have separate and independent access to the Company's senior management to fulfill their duties and, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense. For details, please refer to the section headed "Mechanisms to ensure Independent Views and Input for the Board" in this Corporate Governance Report. All Directors also have access to the company secretary who is responsible for ensuring that the Board procedures, and all applicable rules and regulations, are followed. An agenda and accompanying Board/committee papers are distributed to the Directors/Board committee members with reasonable notice in advance of the meetings. Minutes of Board meetings and meetings of Board committees, which record in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views expressed, are kept by the company secretary and are open for inspection by Directors.

CORPORATE GOVERNANCE REPORT *(continued)*

THE BOARD *(continued)*

The Company has subscribed appropriate and sufficient insurance coverage on Directors' liabilities in respect of legal actions taken against Directors arising out of corporate activities.

In accordance with articles 86 to 89 of the Company's Articles, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

The biographical details of the current Board members are set out under the section headed "Biographical Details of Directors and Senior Management" on pages 29 to 31 of this annual report.

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

Chairman and Chief Executive Officer

Mr. Jiang Hengwen was appointed as the chairman of the Company on 25 November 2022. The Company did not appoint any chief executive officer ("CEO"). The duties and responsibilities of the CEO are carried out by the executive Directors. The Board will review the management structure regularly and consider the appointment of CEO if and when appropriate.

Non-executive Directors

Each of the non-executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company, who will hold office only until the next following general meeting of the Company after his/her appointment and shall then be eligible for re-election at that meeting and retirement by rotation at subsequent annual general meetings of the Company in accordance with the Articles of the Company.

CORPORATE GOVERNANCE REPORT *(continued)*

MECHANISMS TO ENSURE INDEPENDENT VIEWS AND INPUT FOR THE BOARD

The Company has established different channels to enable all Directors, including the independent non-executive Directors, to express their opinions in an open and honest manner to the Board and, if necessary, in a confidential manner. All Directors also have separate and independent access to the management of the Group and full and timely access to information of the Company in order to make informed decisions.

The Board may obtain independent views and input through the following mechanisms:

1. The Board should have at least three independent non-executive Directors (or a higher minimum under the Listing Rules), and at least one-third of its members (or a higher minimum under the Listing Rules) should be independent non-executive Directors, such that there is always a strong element of independence on the Board that can effectively exercise independent judgment.
2. The Nomination Committee should strictly comply with the independence assessment criteria for the nomination and appointment of independent non-executive Directors as set out in the Listing Rules;
3. The Nomination Committee is authorised to assess the independence of the independent non-executive Directors annually in accordance with the independence criteria set out in the Listing Rules, so as to ensure that they are able to exercise independent judgment;
4. The independent non-executive Directors are required to provide an annual confirmation of their independence to the Company and to notify the Company as soon as possible of any change in their personal information that may materially affect their independence;
5. All Directors, including the independent non-executive Directors, have the right to seek further information and documents from the management for matters discussed at Board meetings, and, if necessary, may seek independent professional advice at the expense of the Company;
6. All Directors, including the independent non-executive Directors or any of their close associates who have a material interest in any matter to be considered in a meeting should declare their interest before the meeting and abstain from voting on the relevant resolution, and shall not be included in the quorum of the meeting. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the meeting; and
7. The chairman of the Board should hold at least one meeting every year, with the independent non-executive Directors and without the presence of other Directors, to discuss significant matters and any concerns.

The Board conducted an annual review of the implementation and effectiveness of the above mechanisms for the year ended 31 December 2025 to ensure that it can obtain independent views and input, and is of the view that the existing mechanisms remained effective. The Board shall continue to review the implementation and effectiveness of such mechanisms on an annual basis.

BOARD COMMITTEES

As an integral part of sound corporate governance practices, the Board has established the following Board committees to oversee the particular aspects of the Group's affairs.

CORPORATE GOVERNANCE REPORT *(continued)*

AUDIT COMMITTEE

The Audit Committee has been established in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code. The primary responsibilities of the Audit Committee are to review and monitor the financial reporting, risk management and internal control principles of the Company and to assist the Board to fulfill its responsibilities for audit.

The Audit Committee also provides supervision over the risk management and internal control systems of the Group and the effectiveness of the internal audit function and reports to the Board on any material issues and makes recommendations to the Board.

As at the date of this report, the Audit Committee consisted of three independent non-executive Directors: Ms. Sun Yiwen, Mr. Qin Junyi and Mr. Tang Jian. Ms. Sun Yiwen serves as the chairman of the Audit Committee.

During the year ended 31 December 2025, the Audit Committee held four meetings on 14 January 2025, 31 March 2025, 25 August 2025 and 17 December 2025. The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2024 and for the six months ended 30 June 2025 and has also reviewed and confirmed the accounting principles and practices adopted by the Group and discussed the auditing, risk management, internal control and financial reporting matters.

During the year ended 31 December 2025, the Audit Committee is also responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties below:

- to develop and review the Group's policies and practices on corporate governance and make recommendations;
- to review and monitor the training and continuous professional development of the directors and senior management;
- to review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements (where applicable);
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Group; and
- to review the Group's compliance with the CG Code and disclosure requirements in the Corporate Governance Report.

There was no disagreement between the Board and the Audit Committee on the selection, appointment, recognition or dismissal of the external auditors, during the year ended 31 December 2025.

During the year, the Audit Committee also reviewed the Company's whistleblowing policy and arrangements, which provide employees and other stakeholders with a confidential channel to raise concerns about possible improprieties in financial reporting, risk management, internal control or other matters. The Audit Committee ensured that proper arrangements are in place for the fair and independent investigation of such matters and for appropriate follow-up action. The whistleblowing policy is available to employees through the Company's internal portal, and all reports are handled by the Audit Committee in accordance with the established procedures. No whistleblowing reports were received during the year ended 31 December 2025.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the "Remuneration Committee") has been established with written terms of reference in compliance with the CG Code. The Company has adopted the model set out in code provision E.1.2(c)(ii) of the CG Code as its Remuneration Committee model. The principal responsibilities of the Remuneration Committee are to formulate and recommend remuneration policy to the Board, to determine the remuneration of executive Directors and members of senior management, to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time and to make recommendations on other remuneration related issues. The Board expects the Remuneration Committee to exercise independent judgment and ensures that executive Directors do not participate in the determination of their own remuneration.

CORPORATE GOVERNANCE REPORT *(continued)*

REMUNERATION COMMITTEE *(continued)*

As at the date of this report, the Remuneration Committee consisted of three independent non-executive Directors: Mr. Tang Jian, Mr. Qin Junyi and Ms. Sun Yiwen. Mr. Tang Jian serves as the chairman of the Remuneration committee.

The remuneration policy of the Group is to provide remuneration packages, in terms of basic salary, short-term bonuses and long-term rewards such as options, so as to attract and retain top quality staff. The Remuneration Committee reviews such packages annually, or when the occasion requires. During the year ended 31 December 2025, the Remuneration Committee held one meeting on 31 March 2025. The Remuneration Committee has reviewed and confirmed the Group's overall remuneration policy and structure of the Board.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management (other than Directors) by band for the year ended 31 December 2025 is as follows:

Emolument band	Number of individuals
HK\$ Nil to HK\$1,000,000	1

NOMINATION COMMITTEE

The nomination committee of the Company (the "Nomination Committee") has been established with its written terms of reference in compliance with the CG Code. The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, making recommendations to the Board on selection of candidates for directorships, appointment, re-appointment of Directors and Board succession and assessing the independence of independent non-executive Directors. When considering the suitability of a candidate for directorship, the Nomination Committee also considered the "Board Diversity Policy" adopted by the Board and the requirements under the Listing Rules. The selection of candidates is based on a range of diversified perspectives, including but not limited to gender, age, cultural and educational background, professional expertise, skills and knowledge. Based on the above criteria, members of the Nomination Committee have reviewed the composition of the Board and confirmed that the existing Board was appropriately structured and no change was required.

As at the date of this report, the Nomination Committee consisted of three independent non-executive Directors: Mr. Qin Junyi, Ms. Sun Yiwen and Mr. Tang Jian. Mr. Qin Junyi serves as the chairman of the Nomination Committee. During the year ended 31 December 2025, the Nomination Committee held one meeting on 31 March 2025. The Nomination Committee has reviewed and confirmed the Group's overall structure, composition and diversity of the Board and each of Mr. Li Guo, Ms. Liu Ying and Mr. Qin Junyi will retire from office by rotation and, being eligible, will offer himself/herself for re-election as Director at the AGM.

Nomination Policy

1. Objective

- 1.1 The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to shareholders for election as Directors at general meetings or appoint as Directors to fill casual vacancies or as an addition to the existing Board.
- 1.2 The Nomination Committee may, as it considers appropriate, nominate a number of candidates more than the number of directors to be appointed or re-appointed at a general meeting, or the number of casual vacancies to be filled.

CORPORATE GOVERNANCE REPORT *(continued)*

NOMINATION COMMITTEE *(continued)*

Nomination Policy *(continued)*

2. Selection Criteria

2.1 The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- Reputation for integrity
- Accomplishment and experience
- Compliance with legal and regulatory requirements
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

2.2 Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as a Director.

2.3 The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

3. Nomination Procedures

3.1 The secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.

3.2 For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

3.3 Pursuant to the Articles of the Company, if a shareholder wishes to propose a person for election as a Director, such shareholder shall have given a notice in writing of the intention to propose that person for election as a Director and also a notice in writing by that person of his willingness to be elected shall be given. The minimum length of the period during which such notices are given shall be at least seven days and the period for lodgment of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

CORPORATE GOVERNANCE REPORT *(continued)*

NOMINATION COMMITTEE *(continued)*

Nomination Policy *(continued)*

3. Nomination Procedures *(continued)*

- 3.4 A candidate is allowed to withdraw their candidature at any time before the general meeting by serving a notice in writing to the company secretary of the Company (the "Company Secretary").
- 3.5 The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

4. Independence

4.1 The Company shall appoint independent non-executive Directors representing at least one-third of the Board. The Nomination Committee should assess the independence of independent non-executive Directors. In assessing the independence of a non-executive Director, the Nomination Committee should take into account whether a Director:

- holds more than 1% of the number of issued shares of the Company;
- has received an interest in any securities of the listed issuer as a gift, or by means of other financial assistance, from a core connected person or the Company;
- is or was a director, partner or principal of a professional adviser which currently provides or has within two years immediately prior to the date of his proposed appointment provided services, or is or was an employee of such professional adviser who is or has been involved in providing such services during the same period, to:
 - (a) the Company, its holding company or any of their respective subsidiaries or core connected persons;
or
 - (b) any person who was a controlling shareholder or, where there was no controlling shareholder, any person who was the chief executive or a director (other than an independent non-executive director), of the listed issuer within two years immediately prior to the date of the proposed appointment, or any of their close associates;
- currently, or within one year immediately prior to the date of the proposed appointment, has or had a material interest in any principal business activity of or is or was involved in any material business dealings with the Company, its holding company or their respective subsidiaries or with any core connected persons of the Company;
- is on the Board specifically to protect the interests of an entity whose interests are not the same as those of the shareholders as a whole;
- is or was connected with a director, the chief executive or a substantial shareholder of the Company within two years immediately prior to the date of his proposed appointment;

CORPORATE GOVERNANCE REPORT *(continued)*

NOMINATION COMMITTEE *(continued)*

Nomination Policy *(continued)*

4. Independence *(continued)*

4.1 *(continued)*

- is, or has at any time during the two years immediately prior to the date of his proposed appointment been, an executive or director (other than an independent non-executive director) of the Company, of its holding company or of any of their respective subsidiaries or of any core connected persons of the Company; and
- is financially dependent on the Company, its holding company or any of their respective subsidiaries or core connected persons of the Company.

5. Amendment

Any amendments to the nomination policy must be approved by the Board.

Board Diversity Policy

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. All Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board. The Board Diversity Policy (the "Policy") adopted aims to set out the approach to achieve diversity on the Board. A summary of the Policy is set out below:

Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, ethnicity, age, length of service) will be disclosed in the "Corporate Governance Report" of the annual report annually.

Monitoring and Reporting

The Nomination Committee will report annually, in the "Corporate Governance Report" of the annual report, on the Board's composition under diversified perspectives, and monitor the implementation of this Policy.

Review of this Policy

The Nomination Committee will review the Policy, as appropriate, to ensure the effectiveness of the Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

Disclosure of this Policy

A summary of the Policy together with the measurable objectives set for implementing this Policy, and the progress made towards achieving those objectives will be disclosed annually in the "Corporate Governance Report" of the annual report.

CORPORATE GOVERNANCE REPORT *(continued)*

NOMINATION COMMITTEE *(continued)*

Board Diversity Policy *(continued)*

Review of Board Diversity and Gender Diversity

The Board comprised seven members as at 31 December 2025, including two female independent non-executive Directors. The proportion of female members on the Board is approximately 29%.

The Board has reviewed the implementation and effectiveness of the Company's policy on board diversity on an annual basis. The Directors have a balanced mix of knowledge, skills and experience, including corporate and financial management, overseas investment and finance and securities industries, law and accounting. Furthermore, the members of the Board are aged 38 to 65 years old. Taking into account the business model and specific needs as well as the presence of two female independent non-executive Directors out of a total of seven Board members, the Board considers that gender diversity of the Board has been achieved and the composition of the Board also satisfies the board diversity policy. With regards to gender diversity and succession of the Board, the Company has taken and will continue to take steps to promote gender diversity at all levels of the Group, including but without limitation at the Board and senior management levels. While the Company will aim to maintain at least the same proportion of female members on the Board, it will also consider increasing the proportion of female members over time as appropriate when selecting and making recommendations on suitable candidates for Board appointments.

The Company will aim to achieve gender diversity when recruiting staff at mid to senior level so that it will have a pipeline of female senior management and potential successors to the Board going forward. It is the Company's objective to maintain an appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices.

During the year ended 31 December 2025, the gender ratio of males to females for all employees (including senior management) was approximately 10:9. The Board will continue to take measures to provide equal opportunities for employment, training and career development to promote the diversity of employees at all levels. During the year ended 31 December 2025, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

CORPORATE GOVERNANCE REPORT (continued)

NUMBER OF MEETINGS AND DIRECTORS' ATTENDANCE

The individual attendance record of each Director at the meetings of the Board, meetings of the Audit Committee, Remuneration Committee and Nomination Committee for the year ended 31 December 2025 is set out below:

	Attendance/ number of board meetings held during tenure	Attendance/ number of Audit Committee meetings held during tenure	Attendance/ number of Remuneration Committee meeting held during tenure	Attendance/ number of Nomination Committee meeting held during tenure	Attendance/ number of general meetings held during tenure
Executive Directors					
Hua Min	3/3	N/A	N/A	N/A	3/3
Li Guo	3/3	N/A	N/A	N/A	3/3
Liu Ying (Appointed on 15 January 2025)	3/3	N/A	N/A	N/A	3/3
Xian He (Resigned on 15 January 2025)	0/0	N/A	N/A	N/A	0/0
Non-executive Directors					
Jiang Hengwen (Chairman)	3/3	N/A	N/A	N/A	3/3
Wu Zhenzhou (Appointed on 15 January 2025 and resigned on 16 October 2025)	3/3	N/A	N/A	N/A	2/2
Independent non-executive Directors					
Qin Junyi (Appointed on 23 December 2025)	0/0	0/0	0/0	0/0	0/0
Sun Yiwen (Appointed on 7 May 2025)	1/1	2/2	0/0	0/0	2/2
Tang Jian	3/3	4/4	1/1	1/1	3/3
Tang Yinghong (Resigned on 23 December 2025)	3/3	4/4	1/1	1/1	3/3
Wu Wennan (Resigned on 7 May 2025)	2/2	2/2	1/1	1/1	1/1

DIRECTORS' TRAINING

Directors must keep abreast of their collective responsibilities and are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company would provide to each newly appointed Director or alternative Director an induction package covering the summary of the responsibilities and liabilities of a director of a Hong Kong listed company, the Group's businesses and the statutory regulatory obligations of a director of a listed company as well as the Company's constitutional documents to ensure that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and other regulatory requirements. Further, pursuant to Code C.1.4 of the CG Code, the Group also provided briefings and other trainings to develop and refresh the existing Directors' knowledge and skills from time to time. Further, the Company continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. The Company arranged one seminar during the year ended 31 December 2025, covering the topics of directors' duties, corporate governance practices and disclosure requirements under the Listing Rules and SFO.

CORPORATE GOVERNANCE REPORT *(continued)*

DIRECTORS' TRAINING *(continued)*

Ms. Liu Ying was appointed as an executive Director on 15 January 2025 and she confirmed that she had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 15 January 2025 and understood her obligations as a director of a listed issuer.

Mr. Wu Zhenzhou was appointed as a non-executive Director on 15 January 2025 and he confirmed that he had obtained the legal advice referred to in the Rule 3.09D of the Listing Rules on 15 January 2025 and understood his obligations as a director of a listed issuer.

Ms. Sun Yiwen was appointed as an independent non-executive Director on 7 May 2025 and she confirmed that she had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 7 May 2025 and understood her obligations as a director of a listed issuer.

Mr. Qin Junyi was appointed as an independent non-executive Director on 23 December 2025 and he confirmed that he had obtained the legal advice referred to in the Rule 3.09D of the Listing Rules on 23 December 2025 and understood his obligations as a director of a listed issuer.

According to the records maintained by the Company, Directors received continuous professional development with an emphasis on the roles, functions and duties of being a director of a listed company in compliance with code provision C.1.4 of the CG Code during the year ended 31 December 2025:

	Corporate governance/ updates on laws, rules and regulations	Accounting/ financial/ management or other professional skills
Executive Directors		
Hua Min	✓	
Li Guo	✓	
Liu Ying (<i>Appointed on 15 January 2025</i>)	✓	✓
Xian He (<i>Resigned on 15 January 2025</i>)	✓	
Non-executive Directors		
Jiang Hengwen (<i>Chairman</i>)	✓	
Wu Zhenzhou (<i>Appointed on 15 January 2025 and resigned on 16 October 2025</i>)	✓	
Independent non-executive Directors		
Qin Junyi (<i>Appointed on 23 December 2025</i>)	✓	
Sun Yiwen (<i>Appointed on 7 May 2025</i>)	✓	✓
Tang Jian	✓	
Tang Yinghong (<i>Resigned on 23 December 2025</i>)	✓	
Wu Wennan (<i>Resigned on 7 May 2025</i>)	✓	✓

CORPORATE GOVERNANCE REPORT *(continued)*

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code for dealing in securities of the Company by the Directors during the year ended 31 December 2025. The Board confirms that, having made specific enquiries with all Directors, all Directors have confirmed that they have complied with the required standards of the Model Code throughout the year ended 31 December 2025.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the financial year ended 31 December 2025 which give a true and fair view of the state of affairs of the Company and of the Group at that date and of the Group's results and cash flows for the year then ended and are properly prepared on the going concern basis in accordance with the applicable statutory requirements and accounting standards. The Directors are aware that the Group incurred a net loss of approximately RMB229,620,000 (2024: RMB601,128,000) during the year ended 31 December 2025. Additionally, the settlement of the Group's tariff adjustment receivables from the state-grid companies may take longer than originally anticipated by the management. These events or conditions, together with other matters set forth in note 2.1 to the financial statements in this report indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, the financial statements were prepared based on the assumption that the Group can be operated as a going concern and the Directors are of the view that the Group will have sufficient working capital to finance its operations for the next twelve months from 31 December 2025, after taking into consideration of the following:

- the expected settlement of the Group's certain tariff adjustment receivables from the state-grid companies in the next twelve months from 31 December 2025, determined with reference to the historical settlement pattern;

The Directors believe that the aforementioned financing and operational measures will be successful, based on the continuous efforts and commitment given by the management.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the financial statements to write down the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of such adjustments has not yet been reflected in the financial statements.

There is no actual impact of the modified opinion on the Group's financial statements.

Based on the information provided by management of the Group and the steps taken to improve the financial position of the Group as mentioned above, the Audit Committee has reviewed and agreed with the Board's basis for the going concern basis adopted in preparing the financial statements and such basis has also been disclosed in note 2.1 to the financial statements of this annual report.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report".

CORPORATE GOVERNANCE REPORT *(continued)*

EXTERNAL AUDITOR

On 7 January 2025, BDO Limited resigned as the auditor of the Company as the Company and BDO Limited could not reach a consensus on the audit fee for the year ended 31 December 2024.

An announcement was published by the Company on 7 January 2025, which specified the circumstances leading to the resignation of BDO Limited and that BDO Limited has confirmed that there are no other matters that need to be brought to the attention of the shareholders of the Company. The Company also confirmed that there are no matters in relation to the resignation of BDO Limited that need to be brought to the attention of the shareholders of the Company. Sua WWC CPA has been appointed on 7 January 2025 as the external auditor of the Company to fill the vacancy following the resignation of BDO Limited and to hold office until the conclusion of the next annual general meeting of the Company.

During the year ended 31 December 2025, the auditors' remuneration in respect of audit services and non-audit services provided by the auditors of the Group, charged to the consolidated statement of profit or loss amounted to approximately RMB1,900,000 (2024: RMB2,200,000) and RMBNil (2024: RMB777,000), respectively. The non-audit services conducted by the external auditor mainly include professional services on special services rendered in relation to disposals of subsidiaries and finance lease arrangements.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining sound and effective internal control systems in order to safeguard the Group's assets and shareholders' interests, and for reviewing and monitoring the effectiveness of the Group's internal control and risk management systems on a regular basis so as to ensure that internal control and risk management systems in place are adequate. The Group has a process for identifying, evaluating, and managing the significant risks to the achievement of its operational objectives. This process is subject to continuous improvement and was in place for the year ended 31 December 2025 and up to the date of this annual report. The day-to-day operation is entrusted to the individual department, which is accountable for its own conduct and performance, and is required to strictly adhere to the policies set by the Board. The Company carries out reviews on the effectiveness of the internal control systems from time to time in order to ensure that they are able to meet and deal with the dynamic and ever changing business environment.

During the year under review, the Group has complied with Code Provision D.2 of the CG Code by establishing appropriate and effective risk management and internal control systems. Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties on an ongoing basis. Main features of the risk management and internal control systems are described in the sections below:

Risk Management System

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- Evaluation: Analyse the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- Management: Consider the risk responses, ensure effective communication to the Board and on-going monitoring the residual risks.

Based on the risk assessments conducted in 2025, no significant risk was identified.

CORPORATE GOVERNANCE REPORT *(continued)*

RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

Internal Control System

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) 2013 framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follows:

- Control Environment: A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
- Risk Assessment: A dynamic and iterative process for identifying and analysing risks to achieve the Group’s objectives, forming a basis for determining how risks should be managed.
- Control Activities: Actions established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- Information and Communication: Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- Monitoring: Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

In order to enhance the Group’s system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group has also adopted and implemented an inside information policy and procedures. Pursuant to which, reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- accessibility of information being restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- confidentiality agreements to be entered into whenever the Group enters into negotiations relating to any significant investment, acquisition or disposal.
- The executive Directors being the designated persons to speak on behalf of the Company when communicating with external parties, such as the media, analysts or investors.

Based on the internal control reviews conducted in 2025, no significant control deficiency was identified.

CORPORATE GOVERNANCE REPORT *(continued)*

RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

Internal Auditors

The Group has an Internal Audit (“IA”) function, which consists of professional staff with relevant expertise (such as Certified Public Accountant). The IA function is independent of the Group’s daily operation and carries out appraisal of the risk management and internal control systems by conducting interviews, walkthroughs and tests of operating effectiveness, as well as resolving material internal control defects.

Effectiveness of the Risk Management and Internal Control Systems

The Board is responsible for the risk management and internal control systems of the Group and ensuring review of the effectiveness of these systems has been conducted annually. Several areas have been considered during the Board’s reviews, which include but not limited to (i) the changes in the nature and extent of significant risks since the last annual review, and the Group’s ability to respond to changes in its business and the external environment; and (ii) the scope and quality of management’s ongoing monitoring of risks and of the internal control systems.

The Board, through its reviews covering all material controls, including financial, operational and compliance controls and the reviews made by IA function and the Audit Committee for the year ended 31 December 2025, concluded that the risk management and internal control systems were effective and adequate. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is also considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programs and budget provided were sufficient.

COMPANY SECRETARY

The position of the Company Secretary is held by Mr. Ching Kin Wai (“Mr. Ching”). All Directors have access to the advice and services of the Company Secretary to ensure that board procedures, and all applicable laws, rules and regulations are followed. During the year ended 31 December 2025, Mr. Ching undertook not less than 15 hours of professional training to update his skills and knowledge in compliance with Rule 3.29 of the Listing Rules .

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of maintaining a clear, timely and the effective communication with the shareholders of the Company and investors. The Board also recognises that effective communication with its investors is critical in establishing investor confidence and to attract new investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure the investors and the shareholders of the Company will receive accurate, clear, comprehensive and timely information of the Group through the publication of annual reports, interim reports, announcements and circulars. The Company also publishes all corporate communications on the Company’s website at www.kongsun.com. The Board maintains regular dialogues with institutional investors and analysts from time to time to keep them informed of the Group’s strategy, operations, management and plans. The Directors and members of various Board committees will attend the annual general meeting of the Company and answer any questions raised. The resolution of every important proposal will be proposed at general meetings separately. The chairman of general meetings of the Company would explain the procedures for conducting a poll before proposing a resolution for voting. The poll results will be published on the websites of the Stock Exchange and the Company, respectively. In addition, the Company regularly meets with institutional investors, financial analysts and financial media, and promptly releases information related to any significant progress of the Company, so as to promote the development of the Company through mutual and efficient communications. The implementation and effectiveness of shareholders communication policy has been reviewed by the Board during the year ended 31 December 2025.

CORPORATE GOVERNANCE REPORT *(continued)*

SHAREHOLDER RIGHTS

Convening an extraordinary general meeting and putting forward proposals at general meetings by shareholders

Procedures for shareholders to convene an extraordinary general meeting (including making proposals/moving a resolution at the extraordinary general meeting)

- Any one or more shareholders holding at the date of deposit of the requisition not less than five per cent of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the “Eligible Shareholder(s)”) shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at an extraordinary general meeting.
- Eligible Shareholders who wish to convene an extraordinary general meeting for the purpose of making proposals or moving a resolution at an extraordinary general meeting must deposit a written requisition (the “Requisition”) signed by the Eligible Shareholder(s) concerned to the principal place of business of the Company in Hong Kong.
- The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholdings in the Company, the reason(s) to convene an extraordinary general meeting, the agenda proposed to be included and the details of the business(es) proposed to be transacted in the extraordinary general meeting, signed by the Eligible Shareholder(s) concerned.
- If within 21 days of the deposit of the Requisition, the Board has not advised the Eligible Shareholders of any outcome to the contrary and fails to proceed to convene an extraordinary general meeting, the Eligible Shareholder(s) himself/herself/themselves may do so in accordance with the memorandum and articles of association, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

Making enquiry to the Board

Shareholders of the Company may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong by post or email to ir@kongsunhldgs.com for the attention of the Company Secretary.

CORPORATE GOVERNANCE REPORT *(continued)*

CONSTITUTIONAL DOCUMENT

On 6 June 2025, the Company adopted a new set of articles of association to incorporate amendments to the then existing articles of association, for the purposes of aligning with (i) the amended Companies Ordinance in relation to implementation of the treasury share regime for Hong Kong incorporated listed companies and promotion of paperless corporate communications and (ii) the Listing Rules amendments in relation to further expansion of the paperless listing regime; and incorporating other housekeeping changes that would enable the Company to conduct general meetings (including holding hybrid/virtual general meetings) and to handle other corporate affairs more efficiently.

Saved as disclosed above, there was no other change in the constitutional documents of the Company during the year ended 31 December 2025.

INVESTOR RELATIONS

Investors Communication Policy

The Company regards the communication with institutional investors as important means to enhance the transparency of the Company and collect views and feedback from institutional investors. To promote effective communication, the Company maintains a website at www.kongsun.com, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are posted. Shareholders, investors and the media can make enquiries to the Company through the following means:

Telephone number: 852-3188 8851

By post: Unit 803-4, 8/F, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong

Attention: The Company Secretary

By email: ir@kongsunhldgs.com

The Company has reviewed the implementation and effectiveness of the investors communication policy conducted during the year ended 31 December 2025, including measures and arrangements for the general meetings, the handling of queries from investors and the channels of communication in place, and considered such policy to be effective.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

This environmental, social and governance (“ESG”) report of Kong Sun Holdings Limited (the “Group” or “we”) summarises and presents the sustainable development works of the Group from 1 January 2025 to 31 December 2025 (the “Year”). The ESG Report primarily sets out the overall environmental and social policies of the Group when conducting solar power plant business and providing financial services in the People’s Republic of China (the “PRC” or “China”). The key disclosures of key performance indicators (“KPIs”) at environmental and social aspects of the Year include (i) the headquarters of the Group in Beijing; (ii) the electricity sales business of the Group; and (iii) the financial services business of the Group. Due to the completion of the disposal of 60% of the interests of the solar power plant operation and maintenance services business on 17 April 2024, the KPIs for this business are only calculated up to the date of disposal. After the discussion with the ESG Governance Team and taking into account the views of stakeholders, disclosure of the financial services business has been added to the 2024 ESG Report. The relevant changes to the scope of these disclosures are presented and explained in detail in the corresponding sections of this ESG Report. For details on corporate governance, please refer to the Corporate Governance Report on pages 50 to 66.

In preparing this ESG Report, the Group made disclosures in accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix C2 to the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

Reporting Principles

The ESG Report adheres to the ESG Reporting Principles set out in the ESG Guide, including materiality, quantitative and consistency. Details are illustrated as follows:

Materiality

The content of the ESG Report is determined through stakeholder engagement and materiality assessment processes, which include identifying ESG-related issues, collecting and reviewing the management and stakeholders’ opinions, assessing the relevance of the issues and preparing and validating the information reported. The ESG Report covers the key issues concerned by different stakeholders.

Quantitative

Quantitative environmental and social KPIs are disclosed in the ESG Report so that stakeholders are able to have a comprehensive understanding of the Group’s ESG performance. Information on the standards, methodologies, references and sources of key emission factors and conversion factors used on these KPIs are stated wherever appropriate.

Balance

This ESG report is committed to presenting the Group’s overall performance in environmental, social, and governance aspects in an unbiased manner, including achievements and challenges. The report discloses information through a fair and objective approach, ensuring that stakeholders gain a comprehensive understanding of the Group’s progress in sustainable development. We avoid selective disclosure or omission of material information that could influence readers’ decisions or judgments and adopt appropriate reporting formats to ensure the content is clear and transparent, reflecting the true state of the Group’s ESG performance and the practical challenges it faces.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Consistency

In order to enhance and maintain comparability of ESG performances between years, the Group has strived to adopt consistent reporting and calculation methodologies as far as reasonably practicable. Any changes in methodologies and specific standards have been presented and explained in detail in corresponding sections. The Group will continue to adopt consistent methodologies as far as reasonably practicable in the future, in case of any changes that could affect a meaningful comparison of the KPIs between years.

For details on the Group's environmental, social and corporate governance, please refer to our official website (<http://www.kongsun.com/>) and the annual report. We value your opinion on this report. If you have any comments or suggestions, please feel free to email us at ir@kongsunhdgs.hk.

THE GROUP'S SUSTAINABLE DEVELOPMENT

Vision on Sustainable Development

The Group focuses on the investment business in renewable energy and inclusive financial services and regards "greener earth, brighter future" as its visions, missions and core values, which serve as guiding principles for our business and daily operations as well as governance. While continuing its contributions to environmental protection initiatives, the Group is expanding inclusive financial services, striving to "leverage capital to drive the development of green and new energy as well as the widespread adoption of inclusive finance".

With its core value of "striving for excellence", the Group continues to focus on the development of its electricity sales business and financial services business. In its middle-to-long term development plan, we rely on professional and experienced management team, high-level technical talents, and strong capital strength, striving to become an integrated investment group covering clean energy and green finance.

As an advocate in the clean energy industry and inclusive financial services, the Group is well aware of the importance of sustainable development. Apart from creating monetary return for our investors, we also help our employees in attaining personal fulfilment, provide clean power energy and inclusive financial services for the society and support the development of environment protection and socially inclusion. The sustainable development approach of the Group covers four major areas, namely green business, green operation, inclusive finance and green care, involving the sales of electricity of solar power business, financial services, daily operation and management, staff support and community contribution.

In terms of financial services, the Group is driven by the values and aspirations of advancing inclusive finance. We are committed to consumer finance and supply chain finance, leveraging internet information technology and big data-driven intelligent risk control to provide convenient funding services for businesses and individuals, positioning ourselves as a pioneer in fintech. Since its establishment, Guangzhou Baoqian, has provided innovative microfinance products and services in a customized manner, creating core products such as Leshang Loan (樂商貸), Lexun Loan (樂訊貸) and Lexiang Loan (樂享貸). These products have served hundreds of thousands of small and/or micro enterprises and individuals, effectively fulfilling their needs for small, dispersed and fast funding.

In the past, the Group has been striving to grasp the development opportunities in the solar power industry. In the future, with focuses on clean energy and green finance, we will continue to work in line with the national policies regarding green development, renewable energy and inclusive finance. While promoting the national policies on green and low-carbon energy development, we will also enhance the accessibility and inclusiveness of financial services, thereby contributing to environmental protection and socio-economic development.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

ESG AND CLIMATE-RELATED GOVERNANCE FRAMEWORK

The Group understands that good ESG governance is the key to the long-term development of an enterprise. To this end, the board of directors (the “Board”) of the Group upholds its primary leading role and management responsibilities in the ESG aspects, including overseeing the Group’s assessment of relevant environmental and social impacts; understanding the potential impact of ESG issues on the Group’s business model and associated risks; aligning with the expectations of investors and the requirements of regulatory authorizations; improving materiality assessment and reporting processes to ensure that policies are implemented and enforced decisively and consistently; and promoting a top-down culture to ensure that ESG considerations are integrated into the business decision-making process.

The Board of Directors is the Group’s highest governing body responsible for overseeing ESG matters (including climate-related risks and opportunities) and bears ultimate responsibility for such matters. The Board receives regular reports through the ESG Governance Subcommittee to monitor the Group’s ESG and climate-related performance and progress toward its targets.

The Board has established the Group’s ESG management policies and strategies. Through regular materiality assessments, the Group identifies ESG and climate-related issues that have a significant impact on its business model and stakeholders, and prioritizes them based on their potential impact on the business. The Board is updated on climate-related risks and opportunities at least annually and, as necessary, assesses its knowledge and capabilities regarding ESG and climate-related matters, seeking external professional advice when required to ensure the effective fulfillment of its oversight duties.

When formulating business strategies and approving major transactions, the Board incorporates climate-related risks and opportunities into its considerations, including assessing potential trade-offs between such risks and opportunities. The Board has directed management to integrate climate-related risks (including physical risks and transition risks) into the Group’s overall enterprise risk management framework and to establish corresponding management measures.

The Board regularly reviews the Group’s progress toward its ESG and climate-related targets and assesses the alignment of target achievement with the Group’s business strategy, conducting a comprehensive review at least once a year. With regard to compensation policies, the Group will consider, in due course, whether to incorporate climate-related performance indicators into relevant compensation arrangements.

The members of ESG Governance Team of the Group comprising the senior management, department heads and an independent third party advisor. The main responsibilities of the team include: to formulate the Group’s ESG strategy and report, and is also responsible for identifying and assessing the Group’s ESG related risks to ensure an effective ESG risk management and internal control system, thereby enhancing the ESG performance of the Group; to review, recognize and report to the Board on the Group’s ESG framework, standards, prioritization and objectives, and to supervise and implement the ESG strategies on the Group’s level; to monitor, review and evaluate the Group’s ESG performance; to review and advise the Board on the Group’s reporting to the public. The department heads are responsible for overseeing their respective ESG risks and objectives, and reporting regular updates to the ESG Governance Team and the Board on relevant progress and challenges encountered.

The Board of Directors has delegated the day-to-day oversight and management of climate-related risks and opportunities to the ESG Governance Group. Department heads are responsible for identifying and managing climate-related risks within their respective areas of responsibility and report to the Board through the ESG Governance Group.

Management has established appropriate control procedures for monitoring climate-related risks and opportunities and has integrated these matters into the Group’s existing enterprise risk management and internal control frameworks. The ESG Governance Group maintains communication with relevant functional departments to ensure that climate-related considerations are appropriately reflected in business processes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

PLACING GREAT EMPHASIS ON STAKEHOLDERS ENGAGEMENT

Communication with Stakeholders

Active participation of and continual support from stakeholders play a pivotal role in the Group's long-term success. The Group insists on close communication with stakeholders in order to improve its sustainable development management system and achieve the goals of sustainable development. Therefore, we collect stakeholders' opinions and suggestions through a variety of communication channels, and respond to their expectations and concerns in different ways, so as to improve our ESG performance and future development strategies.

Government and Regulators	Shareholders	Business Partners	Customers
<ul style="list-style-type: none"> Expectation and Requirement <ul style="list-style-type: none"> Compliance with national policies, laws and regulations Promoting local economic development Promoting local employment Paying taxes in a full and timely manner Production safety Communication and Response <ul style="list-style-type: none"> Regular information report Inspection and supervision 	<ul style="list-style-type: none"> Expectation and Requirement <ul style="list-style-type: none"> Returns Compliant operation Enhancing company's value Information transparency and effective communication Communication and Response <ul style="list-style-type: none"> General meeting Announcements Email, phone and company website 	<ul style="list-style-type: none"> Expectation and Requirement <ul style="list-style-type: none"> Operational integrity Fair competition Performing contracts according to the laws Achieving reciprocity Communication and Response <ul style="list-style-type: none"> Review and evaluation meeting Business communication Seminar Communication and cooperation 	<ul style="list-style-type: none"> Expectation and Requirement <ul style="list-style-type: none"> Stable power supply Health and safety To perform the contracts according to the laws Operation in good faith Communication and Response <ul style="list-style-type: none"> Customer service centre and hotline Customer opinion survey Customer communication meeting Customer Feedback
Environment	Industry	Employees	Community and the Public
<ul style="list-style-type: none"> Expectation and Requirement <ul style="list-style-type: none"> Compliant emission Energy conservation and emission reduction Ecosystem conservation Communication and Response <ul style="list-style-type: none"> Communication with local environmental departments Communication with local residents Report submission Research and inspection 	<ul style="list-style-type: none"> Expectation and Requirement <ul style="list-style-type: none"> Developing industrial standards Promoting industry development Communication and Response <ul style="list-style-type: none"> Participation in industry forums Field visits 	<ul style="list-style-type: none"> Expectation and Requirement <ul style="list-style-type: none"> Rights protection Occupational health Remuneration and benefits Career development Caring Communication and Response <ul style="list-style-type: none"> Staff meetings for communication Company internal newsletter and intranet Employee mailbox Training and workshops Activities for employees 	<ul style="list-style-type: none"> Expectation and Requirement <ul style="list-style-type: none"> Improving community environment Participation in charity work Open and transparent information Communication and Response <ul style="list-style-type: none"> Company website Announcements Social media platform

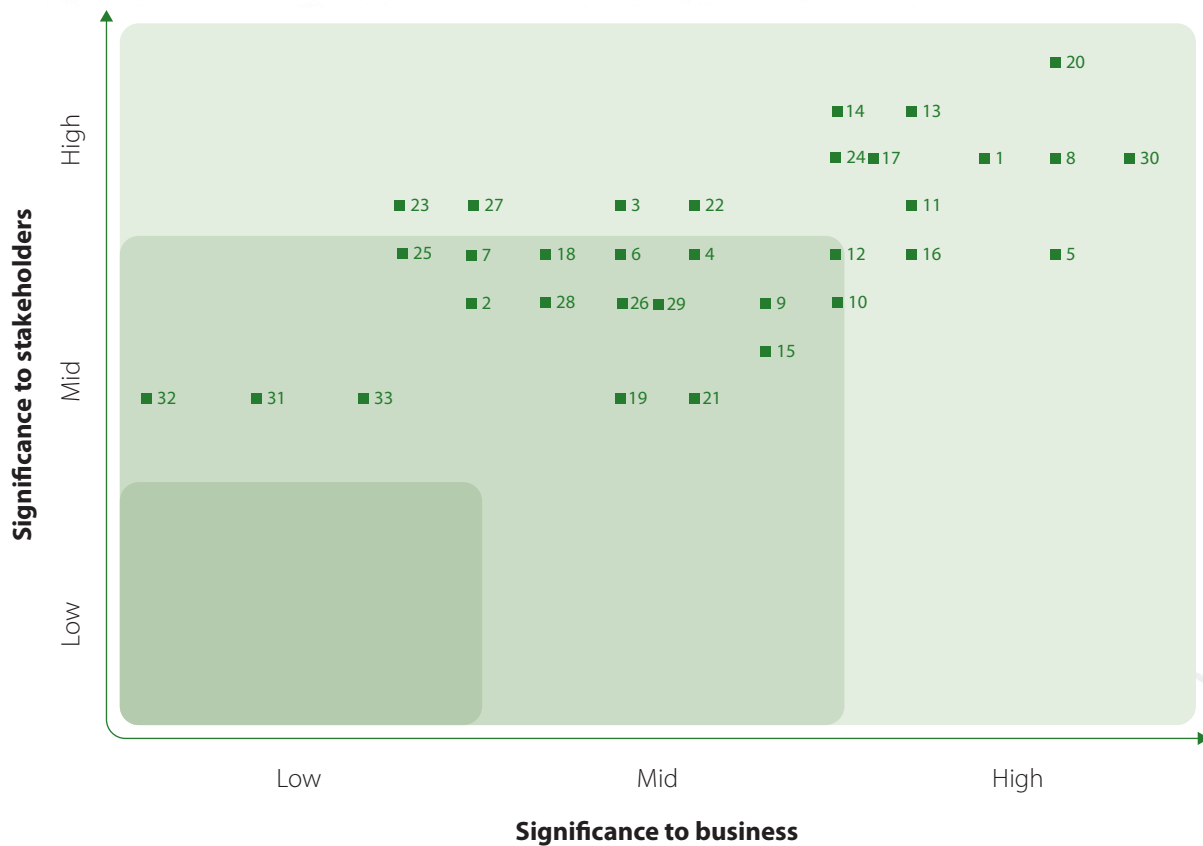
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Materiality Assessment

During the Year, the Group’s ESG Governance Team and the Board conducted a materiality assessment in a fair and equitable manner to identify material ESG aspects. The implementation of materiality assessment has been divided into three main phases:

- (i) identifying the potential material ESG aspects that may have impacts on the Group’s business or stakeholders based on the Group’s actual development and industry characteristics;
- (ii) inviting internal and external stakeholders to complete questionnaires to understand their level of concern for each aspect; and
- (iii) analysing the results of questionnaires to determine the priority of the potential material aspects.

The following matrix diagram is prepared by the Group to illustrate the significance of various issues to our stakeholders and business:



Based on the above materiality assessment, the Group has identified material aspects for the Group’s business and stakeholders and has disclosed and responded to the aspects in relevant sections.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Environment		Labour practices		Operation practices		Community investment	
1	Environmental compliance	13	Employment compliance	20	Operational compliance	31	Charity work
2	Vehicle emissions management	14	Remuneration and benefits	21	Management of environmental risks in the supply chain	32	Promotion of community development
3	Greenhouse gas emissions	15	Working hours and rest periods	22	Management of social risks in the supply chain	33	Poverty alleviation work
4	Waste management	16	Diversity and equal opportunities	23	Purchasing practices		
5	Use of energy	17	Occupational health and safety	24	Quality management		
6	Use of water resources	18	Training and development	25	Customer health and safety		
7	Green office	19	Prevention of child labour and forced labour	26	Protection of intellectual property		
8	Green energy projects			27	Research and development		
9	Green building			28	Information security		
10	Ecological protection			29	Customer privacy protection		
11	Responses to climate change			30	Anti-corruption		
12	Prevention and treatment of environmental incidents						

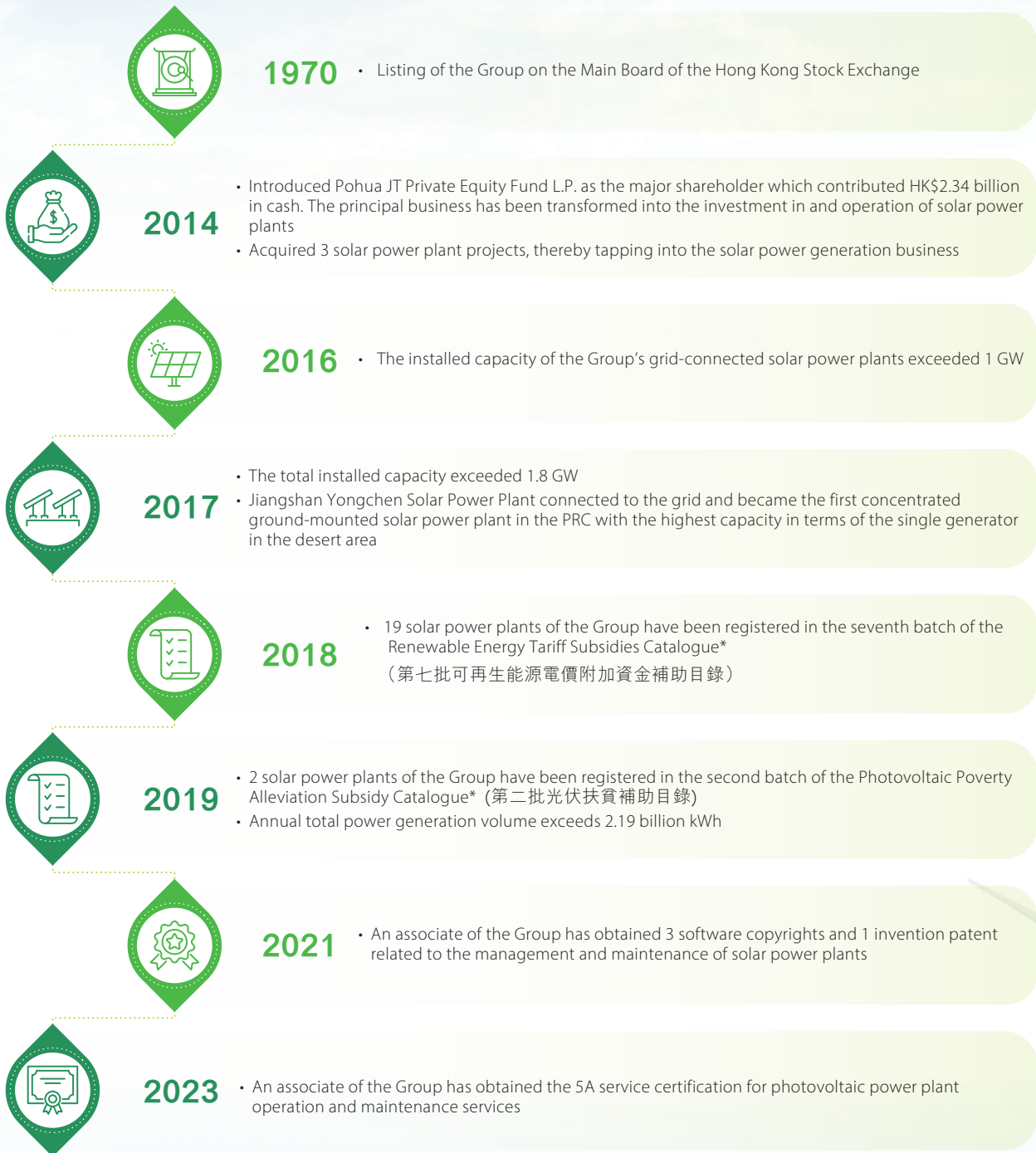
Based on the above materiality assessment, the Group has 13 identified material aspects for the Group's business and stakeholders and has disclosed and responded to the aspects in relevant sections.

Material aspects		Corresponding sections
1	Environmental compliance	Green Engineering — Management of Solar Power Plant Management of Pollutants Management of Wastes
5	Use of energy	Green Industry Resource Conservation
8	Green energy projects	Green Industry
10	Ecological protection	Annual Emissions Reduction Contribution Management of Pollutants Management of Wastes
11	Responses to climate change	Climate-Related Strategies
12	Prevention and treatment of environmental incidents	Climate-Related Strategies Safeguarding the Safety and Health of the Employees
13	Employment compliance	Recruiting Talents Safeguarding the Rights and Interests of our Staff
14	Remuneration and benefits	Safeguarding the Safety and Health of the Employees Recruiting Talents
16	Diversity and equal opportunities	Safeguarding the Rights and Interests of our Staff Recruiting Talents
17	Occupational health and safety	Safeguarding the Rights and Interests of our Staff Safeguarding the Safety and Health of the Employees
20	Operational compliance	Investment in Talent Development
24	Quality management	Emphasising Business Ethics Green Engineering — Management of Solar Power Plant
30	Anti-corruption	Supply Chain Management Creating a Community of Integrity

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

GREEN FOOTPRINT — “COMMITTED TO DEVELOPING SOLAR POWER”

Milestones



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Green Industry

Facing rapid climate change and declining natural resources, we are committed to developing the renewable energy industry. With its professional management team and high-level technical team, the Group proactively expanded its business in solar power generation and strived to become a leader in the clean energy industry. During the Year, our solar power plant's total installed capacity continued to stay ahead in the industry. We maintained our leading position in fields of clean energy investment operation, clean energy industry and asset management, in an effort to build a green future. As of 31 December 2025, the Group owned 11 solar power plants in total with a total installed capacity of 290 MW, covering 5 provinces of China, with an aim to contribute to environmental protection in the PRC and the world.

PRC Province	Number of solar power plants as at 31 December 2025	Capacity of solar power plants
Shaanxi	3	90 MW
Inner Mongolia	1	10 MW
Shanxi	1	20 MW
Anhui	5	140 MW
Hubei	1	30 MW
Total	11	290 MW

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Annual Emissions Reduction Contribution

As of 31 December 2025, the approximate total power generation volume of solar power of the Group was 300,736 MWh (approximate total power generation volume of the same station in 2024: 320,412 MWh). In comparison with coal-burning power plants in China, our solar power generation succeeded in reducing emissions of CO₂, SO₂, NO_x, dust and wastewater of approximately 0.246 million tonnes, 23 tonnes, 38 tonnes, 4 tonnes and 15,000 tonnes, respectively (approximate emissions reduction contribution of the same station in 2024: reducing emissions of CO₂, SO₂, NO_x, dust and wastewater of approximately 0.263 million tonnes, 25 tonnes, 40 tonnes, 4 tonnes and 16,000 tonnes, respectively).

The Group's number of power plants, approximate annual power generation and annual contribution in emissions reduction¹ by provinces are set out as follows:

Provinces	Number of solar power plants at 31 December 2025	Approximate power generation volume	Approximate Power Generation Volume (MWh) and Emissions Reduction Contribution (tonnes) in 2025					Approximate Power Generation Volume (MWh) and Emissions Reduction Contribution (tonnes) of the Same Station in 2024					
			CO ₂	SO ₂	NO _x	Dust	Wastewater	Approximate power generation volume of the same station	CO ₂	SO ₂	NO _x	Dust	Wastewater
Shaanxi	3	90,371	74,195	7	11	1	4,519	97,534	80,075	8	12	1	4,877
Inner Mongolia	1	14,587	11,976	1	2	0	729	14,648	12,026	1	2	0	732
Shanxi	1	21,904	17,983	2	3	0	1,095	26,791	21,995	2	3	0	1,340
Anhui	5	147,438	121,047	11	18	2	7,372	154,555	126,890	12	19	2	7,728
Hubei	1	26,436	21,704	2	3	0	13,220	26,884	22,072	2	3	0	1,344
Total	11	300,736	246,904	23	38	4	15,037	320,412	263,058	25	40	4	16,021

¹ Contribution to emission reduction is calculated based on the pollutant emission intensity of energy generated per unit of thermal power in the "Annual Development Report of China's Electricity Industry" published by the China Electricity Council.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Annual Industry Awards

The Group's efforts in the exploration and development of the solar power industry gained supports and recognition from the authoritative organisations and professional platforms in the industry. In the "2019 Golden Hong Kong Stock Annual Awards Ceremony" co-organised by Zhitongcaijing (智通財經) and Tonghuashuncaijing (同花順財經) in January 2020, the Group was awarded as the 2019 Golden Hong Kong Stock Best Energy and Resources Company (2019金港股最佳能源與資源股公司). In March 2021, the Group won the "Most Influential Energy Asset Management" award in the 2020 "Photovoltaic Cup" co-organized by Solarbe.com and Zhixin Consulting. In November 2020, the Group was awarded the "China Outstanding Photovoltaic 2020 Investment Value Award" ("中國好光伏" 2020年度投資價值獎) in the "2020 China Outstanding Photovoltaic Brand Awards Ceremony" (2020中國好光伏品牌盛典) organized by the energy industry's authoritative media, the IN-EN.com all-media platform (國際能源網全媒體平台). These awards fully recognize the Group's healthy corporate governance structure, superior industry status, outstanding main business achievement and ability to provide investors with sustainable and stable return. In 2025, the Group's power plant company, Lu'an Xuqiang New Energy Engineering Co., Ltd., supported local economic development, and was awarded the "Advanced Unit" honor by the People's Government of Jiangjadian Town, Yuan District, Lu'an City, Anhui Province.

In addition, Beijing Xintai Green Energy Technology Co., Ltd. ("Xintai Green Energy"), an associate of the Group, has been awarded the "New High-tech Enterprise" certificate and obtained three software copyrights and one invention patent related to the management and maintenance of solar power plants. Its main business is to provide maintenance services for customers' power stations, including but not limited to providing maintenance services for power station equipment, dispatching professional personnel, monitoring the operation of power station equipment and providing annual operating plans to customers. Xintai Green Energy won the 2020 Solar Cup "Most Influential O&M Enterprise" Award. In 2023, Xintai Green Energy obtained the 5A service certification for photovoltaic power plant operation and maintenance services.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

The Group has also received support and recognition from industry regulators and associations in the financial services sector. In 2024, Guangzhou Baoqian, a subsidiary of the Group, was awarded multiple honors and certifications. To further enhance the precision and effectiveness of categorized supervision, regulatory authorities at all levels in Guangdong Province diligently organized the 2023 "Model" regulatory rating assessment for microfinance companies that had been operational for over one year within their jurisdiction. In the 2023 assessment, a total of 62 microfinance companies received an "A" grade or above, accounting for 18.2% of the participating institutions. In 2024, Guangzhou Baoqian demonstrated outstanding performance across various regulatory indicators in 2023 "Model" regulatory rating of Guangdong Province and was confirmed by Micro Credit Association of Guangdong province to have been rated "A" by the regulatory authorities. Additionally, in 2024, Guangzhou Baoqian was awarded the Excellent Risk Control Award and the Top 10 Microfinance Company Award in the 2023 Guangzhou Microfinance Industry Association Excellence Recognition Program" organized by the Guangzhou Microfinance Industry Association.



GREEN BUSINESS — “CONTRIBUTING CLEAN ENERGY”

Green Engineering — Project Management of Solar Power Plant

The Group's leading position in the solar power industry depends on the effective management of its solar power plants. The Group takes "equipping with leading technology, conducting quality environmental protection projects, being people-oriented and taking safety as the first priority" as its quality, environment and safety approach. While constructing high-quality projects that complied with environmental requirements, we also put safety as our first priority. Throughout the process of power plant projects, including investigation and research, construction, acceptance and daily operation and maintenance, the Group continues to strictly abide by relevant laws and regulations and national standards, including but not limited to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), Production Safety Law of the PRC (《中華人民共和國安全生產法》), Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》), Code of construction of PV power station (《光伏發電工程施工規範》) (GB50794-2012) and Code of acceptance of photovoltaic power project (《光伏發電工程驗收規範》) (GB/T50796-2012).

In the early development stage of the solar power plant projects, we will engage an independent third-party unit to evaluate the environmental impacts of the project and the effectiveness of environmental protection measures. In addition, the construction, acceptance, and daily operation and maintenance of solar power stations are also the focus of the Group's solar power business. While expanding our business, we also spare no effort to undertake environmental and social responsibilities and achieve the objectives of environmental protection and safeguarding labour safety during the construction of solar power plants by adopting the following measures:

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Investigation and research

- To engage a third-party investigation and research team to conduct analysis on solar energy resources, engineering geology, design of civil engineering works and estimated power generation with an aim to ensure the energy efficiency of power plants;
- To require the third-party investigation and research team to advise on the environmental protection measures, energy conservation and reduction measures, and the protective measures in respect of occupational safety and hygiene of workers in different project sites;
- To engage a third-party unit to conduct environmental assessments of the projects and monitor the effectiveness of the environmental protection plans; and
- To ensure safe operating conditions and high feasibility of the projects as well as effective control of its impacts on the local environment and natural resources.

Construction

- To clearly set out our requirements on environmental protection, labour rights and quality for construction contractors;
- To require contractors to organise regular safe operation meetings to have a better understanding of safe and civilized operation conditions and to propose improvement measures;
- To require all departments to maintain efficient communication throughout the construction process, and to communicate and report regularly on construction progress, quality and safety issues;
- To carry out inspections on materials and engineering equipment with contractors, and to examine the progress in the course of construction to ensure the quality of construction and installation; and
- To take appropriate measures in a timely manner after assessing and recording the problems found during the inspection.

Acceptance

- To conduct final acceptance on site and to evaluate the completeness of construction projects safety coefficient and power generation efficiency in order to ensure that power plants comply with national standards and the requirements set out in contracts.

Daily operation and maintenance

- To formulate an annual inspection plan, organise inspection teams to examine the power plants in terms of production safety, operation management and equipment management, and to take remedial actions immediately once problems are identified;
- To clean the surface of solar panels regularly to maintain optimal power generation efficiency; and
- To make use of innovative technology and install optimiser and solar panel dust-proof film to enhance power generation efficiency.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Supply Chain Management

The Group is committed to complying with relevant laws and regulations, including but not limited to the Bidding Law of the PRC (《中華人民共和國招標投標法》), during its operation, and expects its suppliers to comply with disciplinary codes and laws, to assume environmental and social responsibility, as well as to uphold integrity and fairness in treating their employees. The Group goes through the tendering process in absolute confidentiality and review potential suppliers based on the principles of fairness, justice and merit-based selection. With a view to maintaining a healthy and orderly supply chain system, optimising supplier teams and minimising the undesirable environmental and social risks caused by suppliers, the Group has been striving to optimise the procurement process and establish a sound system for selection, supervision, evaluation and management of suppliers.

We have established clear supplier nomination procedures, qualification review and rating system, assessment system for supplier's contract performance and supplier's appeal investigation mechanism, which enable us to standardise assessment and management during supplier selection and cooperation. In our selection of suppliers and the entire cooperation process, we attach great importance to the performance of suppliers in terms of product quality, environmental protection and occupational safety and health. In the preliminary review, the Group will require supplier nominees to provide a set of qualification documents for review and a set of rating criteria is designed for each qualification document. We will give priority to the suppliers who obtained certificates of "ISO9001 Quality Management System Certification", "ISO14001 Environmental Management System Certification" and "OHSAS18001 Occupational Health and Safety Management System Certification", so as to ensure that the qualification of suppliers in terms of product quality, environmental protection, energy saving, emissions reduction, occupational safety and health.

In addition to document review and rating, the Group will also conduct site visits to certain suppliers, for instance, in respect of the goods suppliers, the Group will assign quality control personnel to conduct site visits and sampling inspection to ensure that its production equipment is up to standard, its staff are well-equipped and its production process and products meet national quality standards. Apart from sampling inspection on goods provided by suppliers, quality control personnel will carry out acceptance process before any goods are entered for warehousing, so as to ensure that the quality and specifications of the materials meet the requirements, and will exchange or return substandard materials. The contracts signed by the Group and engineering suppliers clearly set out not only our requirements on product quality but also the relevant undertakings by suppliers in relation to environmental protection, safe operation and protection of labour rights, so as to increase the possibility of long-term cooperation. The Group supervises and evaluates the contract performance and operating performance of the engineering suppliers. The Group will blacklist any supplier violating the laws and regulations and terminate the cooperation. The Group devotes itself to upholding the human rights and labour rights in its supply chains and will not tolerate any employment of child labour and forced labour by its suppliers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

During the year, the Group has implemented the above practice with its suppliers. The number of suppliers by relevant region is as follows:

Region of suppliers	Number of suppliers	
	2025 ¹	2024
China	126	118

¹ The number of suppliers during the year does not include the operation and maintenance services of solar power plants.

Emphasising Business Ethics

The Group highly values the confidential data of our staff and business partners. We strictly comply with the laws and regulations regarding privacy, including but not limited to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) and Information security technology — Guide of implementation for information security risk assessment (《信息安全技術信息安全風險評估實施指南》) (GB/T31509-2015). We ensure that the confidential information of employees and partners is handled in a transparent, compliant and appropriate manner. The Group will enter into a confidentiality agreement with its employees, requiring employees not to disclose the confidential or proprietary information of the Group to the third parties, both during and after employment, without the Group's authorisation. To ensure information security, only those necessary to be informed shall be authorised to access confidential information or documents, and employees shall not use personal computers or other personal storage devices to access confidential information. Besides firewall installation, antivirus protection is enabled on all servers and computers in the Group to ensure network security. All internal information of the Group is also encrypted. Before decrypting the data, it must be approved by the designated department to reduce the risk of leakage of confidential information. The Group implements information security monitoring to ensure effective control over factors threatening our information, database and network security, and to minimise its exposure to systematic risks caused by improper use of technology, internal human factors or external hacking. In addition, the Group conducts regular backups of each application server's data to ensure the integrity and availability of information. A disaster recovery plan is in place to ensure the rapid recovery of data and the continuous operation of the business. We also regularly assess information security risks and, if necessary, take protective measures against cyber-attacks to protect our corporate information. At the same time, we organise regular training to enhance the staff's awareness on information security.

Besides, the Group also attaches great importance to the protection of intellectual property rights and strictly abides by the Trademark Law of the PRC (《中華人民共和國商標法》), Copyright Law of the PRC (《中華人民共和國著作權法》) and other relevant laws and regulations. The confidential information shared with suppliers, including the Group's intellectual property, is under the protection of confidentiality agreements. The Group has also registered trademarks in China and Hong Kong. While protecting its own intellectual property, the Group will not infringe the patent of merchandise of other parties or enterprises.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

GREEN OPERATIONS — “SAVING ENERGY AND REDUCING EMISSIONS TOGETHER”

Resource Conservation

As a green enterprise which promotes the development of clean energy, the Group understands the importance of maintaining sustainable development of the environment in daily operation. During the year ended 31 December 2025, there were no issues in sourcing water that is fit for purpose. The Group has adopted the following resources conservation measures in its headquarters and power plants:

Energy conservation	Water conservation	Paper conservation
<ul style="list-style-type: none"> • To make full use of natural lighting; • To reduce the number of official vehicles and increase the use of electric vehicles; • To adopt automatic lighting management system and install energy-saving light bulbs; • To set the air-conditioning temperature at an energy-saving level and clean the air-conditioning filters on a regular basis so as to maximise the cooling efficiency; • To strengthen off-hours inspections, switch off lighting, air conditioners and other energy consuming devices in a timely manner; to request staff who are leaving their workstations for long periods of time to switch off their desktop electronic devices; • To install highly energy-efficient electronic equipment and consider its energy labels during the selection process of electricity equipment; and • To clean solar panels on a regular basis to enhance energy efficiency. 	<ul style="list-style-type: none"> • To reduce water pressure to the lowest feasible level; • To use water taps with water conservation labels; • To reuse grey water for cleaning and irrigation; • To read the water metres regularly and enhance equipment management to minimise or avoid leakages; and • To raise staff awareness of water conservation and strengthen the supervision and management of the water resources. 	<ul style="list-style-type: none"> • To carry out administrative procedures such as notice, training application and leave application via its paperless office system; • To set double sided printing and ink-saving mode as the default printing mode; • To implement paperless meetings, adopt video conferencing and reduce printed materials for conferences; • To use electronic communication technologies for the release of announcements, reporting and internal communications; and • To use “paper from responsible sources” when printing annual and interim reports of the Group. • Promote the conservation of toilet paper and post signs for saving.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Through the measures outlined above, the Group has reduced its energy intensity, water consumption, and water intensity compared to the previous year. The Group aims to continue optimizing these measures and, using 2025 as the baseline year, reduce resource consumption by 5% by 2030. The Group's resource consumption during the Year is as follows:

Use of resources ¹	2025	2024
Energy consumption		
Direct energy consumption of non-renewable fuel (MWh) ²	19	49
Indirect energy consumption of purchased electricity (MWh)	684	1,704
Less: electricity sold (MWh)	300,736	320,412
Total direct and indirect energy consumption (MWh)	(300,033)	(318,658)
Intensity: Average direct and indirect energy consumption per MWh of electricity sold (MWh/MWh)	(1.00)	(0.99)
Intensity: Direct and indirect energy consumption per RMB'000 of income (MWh/RMB'000 of income) ⁴	(0.93)	(0.81)
Water resources consumption		
Total water consumption ³ (cubic metre)	1,568	2,526
Intensity: Average water consumption per MWh of electricity sold (cubic metre/MWh)	0.01	0.01
Intensity: Water consumption per RMB'000 of income (cubic metre/RMB'000 of income) ⁴	0.00	0.01

¹ Due to the completion of the disposal of the 60% interest in the operation and maintenance services of the solar power plants business on 17 April 2024, the depletion of resources for this business has only been calculated up to the date of disposal.

² Non-renewable fuel consumption includes fuel consumption for vehicle use and cooking in power stations, and the conversion equivalent is calculated using the "Energy Statistics Manual" issued by the International Energy Agency.

³ The property unit of our headquarters could not confirm the water consumption of our headquarters. Some power plants do not have water supply. As some of the water sources are well water or barrelled water, the exact water consumption cannot be accurately measured. Therefore, the total water consumption is estimated by the management based on their experience.

⁴ In order to correspond to the new disclosure about the financial services business in 2024, resource consumption on a per RMB'000 revenue basis was added in 2024.

Management of Pollutants

The Group strictly complies with the relevant national laws and regulations in relation to the environment, including but not limited to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) and Water and Soil Conservation Law of the PRC (《中華人民共和國水土保持法》), so as to ensure that pollutants are reduced and their impacts on the environment are mitigated in the course of its active business expansion. As the Group mainly focuses on solar energy and financial services business, the emission of exhaust gas or wastewater during our operation is not significant. The main sources of air pollutants of the Group are the insignificant amount of gas emissions from motor vehicles and the fuel consumption of cooking at power plants. During the Year, the Group emitted insignificant amount of air pollutants during operation. For the purpose of emissions reduction, the Group carries out regular maintenance and examination for vehicles to maintain their efficiency and ensures that there is no idle engine, so as to avoid the waste of fuel. In addition, we reduce the number of official vehicles as much as possible and gradually increase the use of electric vehicles to reduce air pollution and greenhouse gas emissions from motor vehicles. We also use induction cookers to replace the cooking appliances using non-renewable fuels if practicable.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Through the above measures, the Group has successfully reduced its consumption of gaseous fuels and air pollution emissions from vehicles compared to the previous year. The Group aims to continue optimizing these measures and, using 2025 as the base year, reduce air pollution emissions by 5% by 2030.

Types of Air Pollutants ¹	2025	2024
NO _x emission (kg)	1.14	13.83
SO _x emission (kg)	0.03	0.70
Particles (kg)	0.08	1.28

¹ The air pollutant emission factors for gas fuel consumption are calculated based on data from the “Clean Air Charter — Business Guidebook” published by the Hong Kong General Chamber of Commerce and the Hong Kong Business Coalition on the Environment, and the “Energy Statistics Manual” issued by the International Energy Agency. The Vehicle emission factors are calculated based on the Hong Kong Environmental Protection Department’s Vehicle Emission Calculation Model. Due to the completion of the disposal of the 60% interest in the operation and maintenance services of the solar power plants business on 17 April 2024, the air pollutants for this business has only been calculated up to the date of disposal.

Management of Wastes

The Group puts emphasis on the management of wastes by proper handling of recyclable and non-recyclable wastes, so as to minimise the environmental risks from such wastes. The hazardous wastes generated by the Group are mainly electronic wastes such as waste ink cartridges and waste batteries while non-hazardous wastes are mainly domestic waste. Although the Group only generated minimal amount of hazardous waste during the Year, but in order to prevent hazardous wastes from causing serious pollution to the environment, it arranges qualified recyclers or suppliers to collect hazardous wastes for treatment with an aim to avoid environmental pollution arising from improper disposal of hazardous wastes. As for non-hazardous wastes, the domestic waste from office area of headquarters and some power plants of the Group is collected and handled by the property management companies or local village committees. With a view to reducing wastes, we actively promote paperless office to reduce the amount of printing, thereby reducing the amount of waste paper and waste ink cartridges. We encourage our staff to avoid the use of disposable and non-recyclable products and reuse stationeries such as envelopes and file binders. We also avoid wastes arising from overstocking through regular assessment on the use of materials.

Through the above measures, the Group has reduced both the total volume and the generation density of hazardous and non-hazardous waste compared to the previous year. The Group aims to continue optimizing these measures and, using 2025 as the baseline year, reduce total waste generation by 5% by 2030. During the Year, the volumes of non-hazardous and hazardous waste generated by the Group are as follows:

Wastes ¹	2025	2024
Total amount of non-hazardous wastes (tonnes)	5	10
Intensity: Average amount of non-hazardous wastes per MWh of electricity sold (kg/MWh)	0.02	0.03
Intensity: Average amount of non-hazardous wastes per RMB'000 of income (kg/RMB'000 of income) ²	0.02	0.03
Total amount of hazardous wastes (tonnes)	0.02	0.04
Intensity: Average amount of hazardous wastes per MWh of electricity sold (g/MWh)	0.08	0.11
Intensity: Average amount of hazardous wastes per RMB'000 of revenue (g/RMB'000 of income) ²	0.07	0.09

¹ Due to the completion of the disposal of the 60% interest in the operation and maintenance services of the solar power plants business on 17 April 2024, the total amount of waste for this business has only been calculated up to the date of disposal.

² In order to correspond to the new disclosure about the financial services business in 2024, resource consumption on a per RMB'000 revenue basis was added in 2024.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

CLIMATE-RELATED DISCLOSURE – GREENHOUSE GAS EMISSIONS

In recent years, the increase in climate change has led to extreme weather events. In order to cope with various extreme weather conditions, the Group requires that power plants must conduct self-inspection over hidden dangers and prepare for extreme weather. The Group also allocates appropriate flood prevention materials for power plants and provides guidelines for implementing various preventive measures for wind, snow and fire damages to maintain normal operation of the power plants.

Global warming is one of the environmental issues of great concern across the world in recent years, and reducing greenhouse gas emissions has therefore become a common task for the world in the coming decades. The Group invests in solar power generation to replace traditional power generation, reducing greenhouse gas emissions and air pollutants caused by traditional thermal power generation. The details of the relevant contribution to emissions reduction are set out in section headed "Annual Emissions Reduction Contribution". We adopt video conference to dispense with unnecessary overseas business travel if practicable while arrange direct flights for necessary business trips to minimise our carbon emissions. Besides, we encourage our staff to use public transport for commuting purpose. The Group will continue to refine the aforementioned measures to control greenhouse gas emissions, thereby achieving the Group's climate-related targets.

During the Year, the Group's greenhouse gas emissions data, our methodology, Scope 3 reporting boundaries, and progress made are as follows:

List of data

Greenhouse gas emissions ¹	2025	2024
Scope 1:		
Direct greenhouse gas emissions from sources owned or controlled by the Group. (Tons of CO₂ equivalent)²	5	14
Scope 2: (location-based method)		
Indirect greenhouse gas emissions from electricity, steam, heat, or cooling purchased or procured for the Group's use. (Tons of CO₂ equivalent)³	428	988
Scope 3:		
Indirect greenhouse gas emissions generated within the Group's value chain (excluding Scope 2 greenhouse gas emissions) (tonnes of CO₂ equivalent)⁴		
Category 3: Fuel and energy-related activities ⁵	2,467	N/A
Category 5: Waste generated from operations ⁶	8	N/A
Category 6: Business travel ⁷	16	N/A
Scope 3 Total:	2,491	22
Total amount of greenhouse gas emissions (tonnes CO ₂ e)	2,924	1,024
Intensity: Average amount of greenhouse gas emissions per MWh of electricity sold (kg CO ₂ e/MWh)	9.72	3.19
Intensity: Average amount of greenhouse gas emissions per RMB'000 of income (kg CO ₂ e/RMB'000 of income) ⁸	9.10	2.61

¹ Due to the completion of the disposal of the 60% interest in the operation and maintenance services of the solar power plants business on 17 April 2024, the greenhouse gas emissions for this business have only been calculated up to the date of disposal. The greenhouse gas emissions for 2024 were measured in accordance with the Environmental, Social and Governance Reporting Guide effective up to 31 December 2024. The greenhouse gas emissions for 2025 are measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).

² Scope 1 includes greenhouse gas emissions from fixed sources (fuel consumption for cooking) and movable combustion sources (vehicle use). The emission factors are sourced from the cross-industry tool of the Greenhouse Gas Protocol emission factors.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

- ³ Scope 2 includes indirect emissions from the generation of purchased electricity consumed by the Group, calculated using the location-based method. The emission factors are sourced from the Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance (2015) and the “2024 Grid Baseline Emission Factors for China’s Emission Reduction Projects” issued by the Ministry of Ecology and Environment of the People’s Republic of China.
- ⁴ Scope 3 greenhouse gas emissions are measured based on the methodological framework and operational boundaries set out in the Greenhouse Gas Protocol: Technical Guidance for Calculating Scope 3 Emissions (2013).
- ⁵ Category 3: Fuel- and energy-related activities – greenhouse gas emissions from the generation of purchased electricity sold to end-users, with data collected from upstream enterprises. Emission factors are sourced from the cross-industry tool of the Greenhouse Gas Protocol, the Emission Factors Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance (2015), and the “2024 Grid Baseline Emission Factors for China’s Emission Reduction Projects” issued by the Ministry of Ecology and Environment of the People’s Republic of China.
- ⁶ Category 5: Waste generated in operations – greenhouse gas emissions from waste paper dumped in landfills and electricity consumed by government departments in processing fresh water and sewage. Emission factors are sourced from the cross-industry tool of the Greenhouse Gas Protocol, the Emission Factors Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance (2015), and the “2024 Grid Baseline Emission Factors for China’s Emission Reduction Projects” issued by the Ministry of Ecology and Environment of the People’s Republic of China.
- ⁷ Category 6: Business travel – greenhouse gas emissions from employees’ air travel. Emission factors are sourced from the “Travel Impact Model”.
- ⁸ In order to correspond to the new disclosure about the financial services business in 2024, resource consumption on a per RMB’000 revenue basis has been added for 2024.

Our Approach

Our Approach	
Standards used	Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)
Measurement method	Operational control, as operational data is accessible
Operational boundary	(i) the Group’s head office in Beijing; (ii) the Group’s electricity sales business; and (iii) the Group’s financial services business.

Scope 3 reporting boundary

Scope 3 Activities	Basis for selection	Included?
Category 3: Fuel- and Energy-Related Activities	Generation of purchased electricity sold to end-users	Yes
Category 5: Waste Generated in Operations	Disposal and treatment of waste generated from our operations (including headquarters)	Yes
Category 6: Business Travel	Flight transportation for business-related activities	Yes
Category 7: Employee Commuting	Emissions associated with employee commuting and travel	No

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Progress Made

In 2025, the Group identified its Scope 3 greenhouse gas emissions across the 15 categories. Among the 15 categories under Scope 3, the Group has determined four categories along the value chain that are relevant to its business, which account for the majority of its Scope 3 greenhouse gas emissions. The remaining categories are excluded as they are either not relevant to the Group's business, or the data is unavailable and not reliable for quantification purposes. The Group also discloses Scope 3 greenhouse gas emissions for selected categories (i.e., Categories 3, 5 and 6).

CLIMATE-RELATED TARGETS

The Group has established climate-related targets to monitor its progress in achieving its strategic goals for sustainable development. In setting the above targets, the Group is guided by the goals of the Paris Agreement (2015) and relevant national policy commitments, including China's "dual carbon goals" of achieving carbon peak by 2030 and carbon neutrality by 2060 as set out in its Nationally Determined Contributions (NDCs). The Group also refers to the scientific basis of the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) on limiting global warming to 1.5° C above pre-industrial levels. The above targets apply to all business segments of the Group operating in Chinese Mainland.

Absolute Greenhouse Gas Emissions Reduction Targets (Scope 1, Scope 2 and Scope 3)

The Group aims to reduce the total absolute Scope 1, Scope 2 and Scope 3 greenhouse gas emissions by 10% by 2035 or earlier, relative to the 2025 baseline year, and has set an interim target to reduce such emissions by 5% by 2030 or earlier.

Disclosure Elements	Details
Metrics used for the target	Scope 1, Scope 2 and Scope 3 greenhouse gas emissions (metric tons of CO ₂ equivalent)
Purpose of the target	Climate change mitigation: Reduce the Group's greenhouse gas emissions across its value chain, support China's "dual carbon goals", and align with the Paris Agreement's goal of limiting global warming to 1.5° C
Scope to which the target applies	Applies to the Group as a whole, covering all business operations in Chinese Mainland (Scope 1 and Scope 2), as well as upstream and downstream activities across the Group's value chain (Scope 3), representing 100% of the Group's total revenue
Period to which the target applies	Baseline year 2025 to target year 2035; long-term target year 2060
Baseline period for measuring progress	2025 Total Scope 1, Scope 2 and Scope 3 greenhouse gas emissions amount to approximately 2,924 metric tons of CO ₂ equivalent, of which Scope 1 and Scope 2 combined amount to approximately 433 metric tons of CO ₂ equivalent, and Scope 3 amounts to approximately 2,491 metric tons of CO ₂ equivalent
Milestones or interim targets	Reduce total Scope 1, Scope 2 and Scope 3 emissions by 5% by 2030 or earlier, relative to the 2025 baseline year
Absolute target or intensity target	Absolute target

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Disclosure Elements	Details
Alignment with the latest international climate agreements	The target is based on the Paris Agreement and China's NDCs; China's NDCs commit to achieving carbon peak by 2030 and carbon neutrality by 2060. The Group also refers to the scientific recommendations of the IPCC AR6 to support the 1.5° C warming control pathway
Greenhouse gases covered	Carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF ₆) and nitrogen trifluoride (NF ₃) (as under the Kyoto Protocol)
Emission scopes covered	Scope 1, Scope 2 and Scope 3 greenhouse gas emissions
Gross or net target	Total greenhouse gas emissions target
Sectoral decarbonisation approach	This target has not been determined using a sectoral decarbonisation approach.
Carbon credits	The Group currently does not plan to use carbon credits to achieve this target.

Target Setting and Review Methodology

In response to the new climate-related disclosures added for the Year, this target was established during the Year. Due to the completion of the disposal of the 60% interest in the operation and maintenance services of the solar power plants business on 17 April 2024, the greenhouse gas emissions for this business have only been calculated up to the date of disposal; and due to the addition in 2025 of Scope 3, Category 3: Fuel- and energy-related activities – greenhouse gas emissions from the generation of purchased electricity sold to end-users, with data collected from upstream enterprises. Therefore, in order to effectively monitor and compare the metrics in the future, the Group has set 2025 as the baseline year. If any amendments are made to the target in the future, the Group will disclose them together with the reasons for such amendments.

This target and its underlying methodology have not been verified by an independent third party. The Group will consider seeking third-party verification as and when appropriate, depending on business development and regulatory requirements.

The Board of the Group conducts a review of the climate-related targets on an annual basis as part of its overall sustainable development governance process. The review covers the latest scientific evidence, changes in regulatory requirements, and the Group's operational and financial performance. Progress is monitored using the following metrics:

- Total Scope 1, Scope 2 and Scope 3 greenhouse gas emissions (tCO₂e)
- Year-on-year percentage change in emissions by scope

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Performance against the Target

The Group's total Scope 1, Scope 2 and Scope 3 greenhouse gas emissions for 2025 amounted to approximately 2,924 metric tons of CO₂ equivalent, representing an increase of approximately 185% compared to 1,024 metric tons of CO₂ equivalent for 2024. This increase was mainly attributable to the completion of the disposal of the 60% interest in the operation and maintenance services of the solar power plants business on 17 April 2024, for which greenhouse gas emissions have only been calculated up to the date of disposal; and the addition in 2025 of Scope 3, Category 3: Fuel- and energy-related activities – greenhouse gas emissions from the generation of purchased electricity sold to end-users, with data collected from upstream enterprises. As 2025 is the baseline year for this target, the Group will track and disclose progress towards the target on a year-by-year basis starting from the next reporting period.

The table below sets out the Group's performance against its absolute reduction targets for total Scope 1, Scope 2, and Scope 3 greenhouse gas emissions:

	Scope 1 (metric tons of CO ₂ equivalent)	Scope 2 (metric tons of CO ₂ equivalent)	Scope 3 (metric tons of CO ₂ equivalent)	Total (metric tons of CO ₂ equivalent)	Change from the baseline year (2025)	Change from the previous year (2024)
Baseline year (2025)	5	428	2,491	2,924	–	An increase of approximately 185%
Interim target (2030)	–	–	–	2,777	A decrease of approximately 5%	–
Target year (2035)	–	–	–	2,631	A decrease of approximately 10%	–
Previous year (2024)	14	988	22	1,024	A decrease of approximately 64%	–

CLIMATE-RELATED STRATEGIES

Climate-related Risks and Opportunities

The Group's businesses cover electricity sales (through solar power plants) and financial services, whose cash flows, access to finance and cost of capital may be affected by climate-related factors. The Group has identified the following climate-related risks and opportunities.

The Group defines short, medium and long term as follows:

- Short term: 1 to 3 years
- Medium term: 3 to 10 years
- Long term: more than 10 years

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Overview of Climate-related Risks and Opportunities

Type	Specific Risk/ Opportunity	Physical/ Transition Risk	Business Segment	Time Frame	Impact on Business Model	Impact on Value Chain
Acute physical risk	Typhoons, heavy rain, hailstorms and other extreme weather damage solar power generation components, affecting generation efficiency and electricity sales revenue	Physical risk	Electricity sales	Short, medium and long term	Direct reduction in power generation volume and electricity sales revenue of solar power plants, leading to decreased asset availability and affecting the profitability of core business	Damage to power generation facilities, increased equipment repair and replacement costs, affecting the entire operational process from power generation to electricity sales
Chronic physical risk	Increased number of rainy days and reduced sunlight hours directly affect solar power generation capacity and electricity sales revenue	Physical risk	Electricity sales	Medium and long term	Long-term climate pattern changes result in a decline in the long-term financial performance and valuation of solar power assets, which may affect capital expenditure decisions and business expansion plans	Long-term persistent reduction in solar resources (sunlight) at the input end, affecting overall power generation efficiency and return on investment in assets
Acute physical risk	Floods, typhoons and other extreme weather events cause property damage or income disruption to borrowers, weakening their repayment capacity and increasing the risk of non-performing loans	Physical risk	Financial services business	Short, medium and long term	Non-performing loan ratio increases, pressure on credit loss provisions rises, affecting the profitability and risk pricing model of the financial services business	Borrowers (clients) experience reduced repayment capacity due to the impact of climate events, directly affecting the loan recovery process and increasing collection and write-off costs
Chronic physical risk	Climate change causes continued pressure on economic activities in specific regions, systematically affecting the overall debt servicing capacity of the borrower base	Physical risk	Financial services business	Medium and long term	Credit approval and risk assessment frameworks within the business model must incorporate climate vulnerability factors; otherwise, the overall quality of the credit portfolio may continue to deteriorate	Borrower groups in climate-vulnerable regions create a systemic credit risk exposure, affecting the geographical distribution of the loan portfolio and risk concentration management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Type	Specific Risk/ Opportunity	Physical/ Transition Risk	Business Segment	Time Frame	Impact on Business Model	Impact on Value Chain
Chronic physical risk	Extreme heat affects office energy consumption at headquarters and employee work efficiency	physical risk	Headquarters office	Medium and long term	Office operating costs (HVAC energy consumption) increase, employee productivity declines, indirectly affecting the Group's overall management efficiency	As the headquarters office is a core node for management and support functions, a decline in efficiency may affect the quality of support services to various business segments
Transition risk – Policy and regulation	Adjustments to renewable energy subsidy policies or electricity market reforms affect the sales price of solar power and revenue stability	Transition risk	Electricity sales	Short and medium term	The pricing basis for electricity sales revenue is affected by policy adjustments, reducing the stability of business revenue, requiring a reassessment of investment return forecasts and electricity sales strategies	The electricity sales segment is affected by market-based pricing mechanisms; changes in grid access conditions and subsidy policies directly impact the revenue structure of the power output end
Transition risk – Policy and regulation	Regulatory authorities (including the People's Bank of China and the China Banking and Insurance Regulatory Commission) strengthen compliance requirements for climate and ESG risk management in internet lending businesses, increasing operating costs	Transition risk	Financial services business	Short and medium term	Additional resources must be invested to establish a climate risk management framework and compliance system, increasing compliance operating costs and affecting business profit margins	The risk control processes of the internet lending platform must integrate climate and ESG factors, involving systemic transformation of data collection, model development and approval processes
Transition risk – Market	Investors and financing institutions have higher requirements for ESG performance, affecting the Group's overall financing costs and credit ratings	Transition risk	Financial services business, Headquarters	Medium and long term	Group financing costs rise or financing channels narrow, affecting business expansion and capital structure, requiring enhanced ESG information disclosure to maintain investor confidence	Capital raising is affected by ESG ratings; financing institutions attach ESG compliance requirements to loan terms, affecting the Group's overall fund chain management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Type	Specific Risk/ Opportunity	Physical/ Transition Risk	Business Segment	Time Frame	Impact on Business Model	Impact on Value Chain
Opportunity – Products and services	Solar power generation business is a clean energy source, aligning with the global low-carbon transition trend, helping to enhance the Group’s brand image and financing terms	Opportunity	Electricity sales	Short, medium and long term	Clean energy positioning strengthens the Group’s brand competitive advantage, helping to attract ESG-oriented investors and improve financing terms, promoting sustainable business development	The green attributes of the electricity sales business can drive low-carbon certification across the entire value chain, including new sources of revenue from green electricity certificate applications and carbon asset development
Opportunity – Financial services business	As the demand for financing to support the low-carbon transition of small and micro enterprises rises, financial services providers can develop specialized small-loan products tailored to green and low-carbon projects	Opportunity	Financial services business	Medium and long term	Expand green financial product lines and develop dedicated loan products targeting low-carbon transition, diversifying business models and potentially enhancing the quality and growth potential of the loan portfolio	Introduce green project assessment criteria in loan product design and approval processes, forming differentiated credit service capabilities, helping to explore policy-based green financing cooperation channels

Strategy and decision-making

The Group has taken and plans to take the following measures to address the identified climate-related risks and seize the corresponding opportunities:

Electricity sales business:

- Fully consider local climate conditions and extreme weather risks during the design and construction phase of solar power generation facilities, and select photovoltaic modules and auxiliary materials with higher protection levels
- Establish regular inspection and maintenance mechanisms for power generation facilities to ensure timely resumption of operation after extreme weather events and reduce downtime losses
- Manage asset loss risks caused by extreme weather events through property insurance arrangements

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Financial services business:

- Incorporate the climate exposure level of the borrower's location as a reference factor in loan approval and credit risk assessment processes to identify climate high-risk borrower groups
- Continuously monitor the geographical distribution of the loan portfolio, identify areas with concentrated climate risks, and adjust credit policies and loan limits for such areas in a timely manner
- Explore special small loan products for low-carbon transition projects of small and micro enterprises to seize opportunities in the green finance market
- Enhance ESG information disclosure to meet regulatory compliance requirements and due diligence standards of financing institutions

Group-wide:

- Promote energy-saving measures at the headquarters office to reduce daily operational carbon emissions
- Continuously improve management and employees' awareness and response capabilities regarding climate risks

The Group has not yet formulated a formal climate transition plan. The Group will, in light of its business structure, continue to assess the necessity of formulating a transition plan and report progress as and when appropriate. The resources required for the above measures are supported by the Group's existing operational budgets and capital expenditure plans.

Climate-related financial position, financial performance and cash flows

Financial impact for the reporting period (qualitative disclosure):

- Electricity sales business: The power generation volume of solar power plants is subject to seasonal variations in the number of rainy days and sunlight hours, resulting in certain fluctuations in electricity generation, which in turn affects electricity sales revenue. During the reporting period, there was no serious disruption in power supply due to major extreme weather events
- Financial services business: During the reporting period, there were no instances where individual borrowers experienced repayment difficulties due to climate-related extreme weather events in their regions, which did not have a material adverse impact on the Group's financial performance

The Group has determined that, in the next annual reporting period, there is no significant risk that existing climate-related risks would require a material adjustment to the carrying amounts of assets or liabilities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Expected financial impact (qualitative disclosure):

- Short to medium term: If the frequency of extreme weather events increases, the stability of power supply may be affected, impacting electricity sales revenue; credit loss provisions for the loan portfolio of the financial services business may need to be adjusted accordingly; heightened regulatory compliance requirements may also increase the operating costs of the financial services business
- Medium to long term: Deepening electricity market reforms may compress profit margins for the electricity sales business; if regulators require internet lending institutions to conduct more in-depth stress tests on climate risks, the Group may need to invest additional management resources and system development costs; at the same time, the development of green small loan products may bring new revenue growth points

As the above impacts are currently difficult to quantify separately, the Group is disclosing them qualitatively for the time being and plans to gradually improve quantitative analysis capabilities as internal capacity is built.

Climate scenario analysis and key parameters

During the reporting period (2025), the Group conducted the following scenario analysis covering its electricity sales business and financial services business. The analysis adopts a qualitative approach supplemented by reference to historical data, which is commensurate with the Group's current technical capabilities, resources and data availability. The Group plans to gradually improve the quantitative level of scenario analysis as its capacity is built.

The Group refers to the following three internationally recognised climate scenario frameworks to establish internal scenario analyses for assessing the impact of climate risks and opportunities on the Group's business and long-term development:

- **Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6)** – assesses climate response measures for five scenarios from a scientific and academic perspective, focusing on the physical science of climate change, but also addressing transition risks related to climate change, with a scenario time horizon up to 2100
- **International Energy Agency (IEA) Global Energy and Climate Model 2022** – explores various scenarios from an energy system perspective, focusing on transition risks and opportunities, such as energy and emission scenarios depicting future energy mixes, with a scenario time horizon up to 2050
- **Network for Greening the Financial System (NGFS) Phase 4 Scenarios** – brings together a globally consistent set of transition pathways, physical impacts of climate change and economic indicators from various central banks and regulatory authorities, focusing on the macro-financial impacts of physical risks, transition risks and opportunities, covering regional data for Chinese Mainland and the Hong Kong Special Administrative Region, with scenario time horizons at five-year intervals up to 2050, and data available up to 2100

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Three scenario overviews

	Neutral scenario	Positive scenario	Ideal scenario
IPCC AR6 corresponding scenario	Very high greenhouse gas emissions scenario (SSP5-8.5) High greenhouse gas emissions scenario (SSP3-7.0)	Medium greenhouse gas emissions scenario (SSP2-4.5) Low greenhouse gas emissions scenario (SSP1-2.6)	Very low greenhouse gas emissions scenario (SSP1-1.9)
IEA corresponding scenario	Not applicable	Stated Policies Scenario (STEPS) Announced Pledges Scenario (APS)	Net Zero Emissions by 2050 Scenario (NZE)
NGFS corresponding scenario	Current policy scenario	Below 2° C scenario Delayed transition scenario Nationally Determined Contributions (NDC) scenario Divergent policy pathways to net zero scenario	Net Zero Emissions by 2050 scenario Low demand scenario
Warming pathway	Temperature rise exceeding 3° C by the end of the century	Temperature rise between 1.5° C and 3° C by the end of the century	Temperature rise contained below 1.5° C by the end of the century
Policy assumptions	Maintain current policies without significant new climate measures, physical risks increase significantly	Countries gradually implement their Nationally Determined Contribution targets and announced climate commitments, with continued support from renewable energy policies.	Global significant acceleration of low-carbon transition, energy sector achieves net zero emissions by 2050, carbon pricing mechanisms fully implemented
Analysis time horizon	Short, medium and long term (1–50 years)	Medium and long term (3–50 years)	Medium and long term (3–50 years)
Analysis business scope	Electricity sales, financial services business, headquarters office	Electricity sales, financial services business	Electricity sales, financial services business

The Group expects that, moving from the neutral scenario to the positive scenario and then to the ideal scenario, the probability and impact of physical risks will gradually decrease, while the probability and impact of transition risks will gradually increase. Therefore, the Group identifies the main physical risk parameters under the neutral scenario, and the main transition risk parameters under the positive and ideal scenarios.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Key scenario parameters

Physical environment parameters (mainly applicable to the neutral scenario)

Parameters	Relevance to the Group's business	Data source
Annual number of days of extreme weather events (typhoons, heavy rain, floods, etc.) and direct economic losses	Extreme weather damages solar power generation facilities, affecting electricity production and sales revenue; at the same time, it causes property losses to borrowers, increasing default risks for the financial services business	China Meteorological Administration; meteorological statistics of the province where the power plant is located
Annual effective sunlight hours and annual power generation tracking	Sunlight hours affect solar power generation volume, directly determining the amount of electricity the Group can produce and sell	Power plant operational data; National Meteorological Science Data Center
Annual number of days of extreme heat	Affects office energy consumption and employee efficiency	Historical data from the Meteorological Administration
Regional economic losses caused by climate disasters and disruption of residents' income	Directly affects the repayment capacity of borrowers in the financial services business and the overall non-performing loan ratio	Financial Stability Report of the People's Bank of China; relevant data from the National Financial Regulatory Administration

Socioeconomic and Energy-Environmental Parameters (Primarily applicable to positive and ideal scenarios)

Parameters	Relevance to the Group's business
Adjustments to China's renewable energy feed-in tariff policy and subsidy mechanism	Affects the market supply and procurement price of solar power, thereby affecting the profit margin of the Group's electricity sales
Progress of China's electricity market reform (spot trading ratio and electricity price fluctuations)	Affects the pricing power and revenue stability of the Group's electricity sales business
Expansion scope of China's carbon emissions trading market and carbon price trends	Affects the relative competitive advantage of solar power and the cost structure of procurement
Evolution of regulatory compliance requirements for climate and ESG risk management in internet lending businesses	Affects the credit approval process standards, risk provisioning requirements and compliance costs of the financial services business
Growth in financing demand for low-carbon transition of small and micro enterprises	Brings market opportunities for the financial services business to develop green small loan products

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Climate resilience assessment

Scenario analysis results show that the Group's business model has basic resilience under each scenario:

- **Under the neutral scenario:** The main physical risks are fluctuations in electricity production due to extreme weather, and fluctuations in credit quality caused by borrowers losing repayment capacity due to climate disasters. The Group's existing solar power plant monitoring mechanism and credit loss provisioning arrangements can effectively address the above risks
- **Under the positive scenario:** Electricity market reforms and subsidy policy adjustments bring certain transition risks, and the Group needs to adjust its electricity market strategies in a timely manner; regulatory compliance requirements for the financial services business increase accordingly, and the Group needs to strengthen the framework for considering climate factors in credit approval
- **Under the ideal scenario:** The low-carbon transition accelerates comprehensively, further consolidating the market position of the solar-based electricity sales business; the demand for green financing from small and micro enterprises expands, bringing new market opportunities for the financial services business

The Group has sufficient capacity for strategic adjustment in the short to medium term; in the long term, the direction of business development will depend on the stability of power supply from solar power plants, the direction of electricity market policies and the evolution of the regulatory environment for the financial services business.

CLIMATE RISK IDENTIFICATION, ASSESSMENT AND MONITORING PROCESSES

Climate risk identification

Management continuously identifies climate-related risks and opportunities relevant to the Group's business segments by monitoring climate policy developments (including regulatory guidance from the People's Bank of China and the National Financial Regulatory Administration on internet lending businesses, and renewable energy electricity market policies), industry best practices and stakeholder opinions. Referring to the TCFD framework, the Group classifies risks into two main categories: physical risks (acute and chronic) and transition risks (policy and regulation, market and reputation), and conducts targeted analysis based on the specific characteristics of the electricity sales and financial services businesses.

Climate risk assessment

For each identified risk, a qualitative assessment is made of its likelihood (high/medium/low) and potential impact on the Group's financial and operational performance. For the electricity sales business, the focus is on assessing the impact of extreme weather exposure in the region where the solar power plant is located on power supply stability. For the financial services business, particular attention is paid to the climate exposure of geographical areas where borrowers are concentrated, assessing the potential impact on credit portfolio quality, including the likelihood of an increase in the non-performing loan ratio and credit loss provisions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Prioritisation

Prioritisation is based on a composite score of likelihood and impact. During the reporting period, the following matters were prioritised for management:

- Physical climate risks to the electricity sales business (extreme weather affecting power generation facilities, leading to power supply disruption and reduced sales revenue)
- Climate credit risks to the financial services business (borrowers losing repayment capacity due to extreme weather, leading to an increase in non-performing loans)
- Regulatory transition risks to the financial services business (increased compliance requirements for ESG and climate risk management in internet lending businesses)

Monitoring process

Management conducts a comprehensive review of the climate risk register at least once a year, and conducts ad hoc assessments following major policy changes or extreme weather events. The results of these assessments are regularly reported to the Board, ensuring that the Board is fully informed of climate risk developments that may have a material impact on the Group's business and sustainable development.

Integration into overall risk management

Climate-related risks have been incorporated into the Group's overall enterprise risk management framework as an integral part of the annual risk assessment. In response to the new climate-related disclosures added for the Year, the framework for climate risk identification and management processes during the reporting period has undergone significant changes compared with the previous reporting period. The Group is actively exploring ways to more systematically integrate climate factors into the credit approval and risk management processes of the financial services business, and to strengthen the assessment of the climate resilience of solar power plants, so as to comprehensively improve the level of climate risk management.

EXPLANATION OF QUANTITATIVE FINANCIAL DISCLOSURES ON CLIMATE-RELATED MATTERS

Climate-related Transition Risks (paragraph 30) – “The issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.”

The Group hereby invokes the reasonable information relief under paragraph 30 of the Stock Exchange's Environmental, Social and Governance Reporting Code. The Group has not yet established a quantitative classification framework that maps individual assets or business activities to specific transition risks. Without undue cost or effort, the Group is unable to provide reliable quantitative figures for assets or business activities vulnerable to climate-related transition risks. The Group has made qualitative disclosures on the business scope covered by the identified transition risks in the Strategy section of this report, and plans to gradually build relevant quantitative capabilities to enhance disclosure levels in future reporting periods.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Climate-related Physical Risks (paragraph 31) – “The issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.”

The Group hereby invokes the reasonable information relief under paragraph 31 of the Stock Exchange’s Environmental, Social and Governance Reporting Code. For the electricity sales business, the solar power generation assets are held by upstream enterprises, and the Group is unable to obtain sufficient asset-level climate exposure data. For the financial services business, the existing loan portfolio data system has not yet incorporated systematic climate risk ratings for borrowers’ geographical locations. Under the above data constraints, without undue cost or effort, the Group is unable to provide relevant quantitative figures for the scope of business vulnerable to physical risks. The Group has prioritised the establishment of a climate risk geographic data infrastructure to support quantitative disclosures in future reporting periods.

Climate-related Opportunities (paragraph 32) – “The issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.”

The Group hereby invokes the reasonable information relief under paragraph 32 of the Stock Exchange’s Environmental, Social and Governance Reporting Code. For the electricity sales business, the Group’s existing asset management system has not yet established an asset classification and quantification methodology based on climate physical risks, and is unable to map individual assets to the extent of impact of specific climate physical risks. The financial services business is exploring green small loan products, but such business is still at the development stage and has not yet reached a quantifiable scale. In the absence of a standardised climate opportunity classification framework and relevant data, the Group is unable, without undue cost or effort, to provide reliable quantitative figures for the scope of business activities aligned with climate-related opportunities, and plans to gradually improve such disclosures as the business develops.

Capital Deployment (paragraph 33) – “The issuer shall disclose the amount of capital expenditure, financing or investment deployed to address climate-related risks and opportunities.”

The Group has not yet established the systems and methodologies necessary to identify and track the capital expenditure, financing and investment amounts specifically deployed to address climate-related risks and opportunities. Therefore, the Group has not made quantitative disclosures in this regard. The Group has made qualitative disclosures on its response measures to climate-related risks and opportunities in the Strategy section of this report.

The Group plans to progressively improve the relevant internal data collection and tracking mechanisms to support quantitative disclosure in future reporting periods.

Internal Carbon Price (paragraph 34)

The Group currently does not apply an internal carbon pricing mechanism in any decision-making processes (including investment decisions, internal transfer pricing and scenario analysis), nor has it set any internal carbon price per metric ton of greenhouse gas emissions.

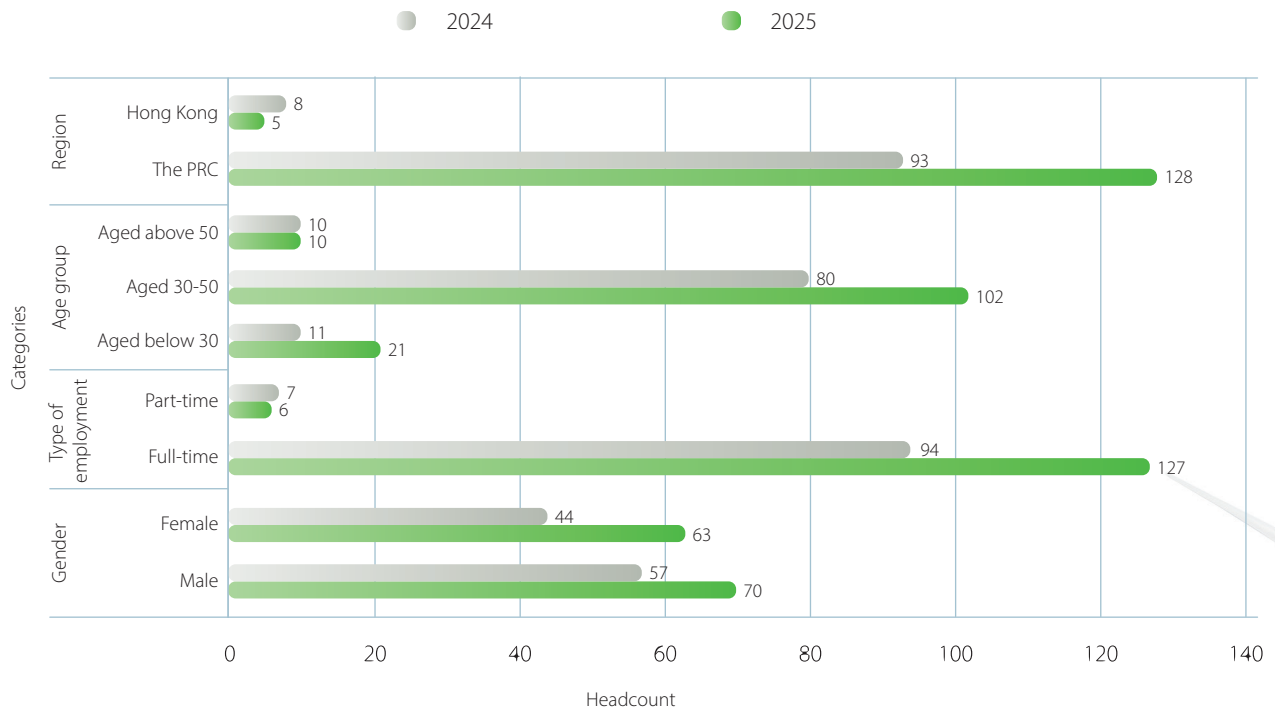
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

GREEN CARE — “CREATE A BETTER FUTURE”

Recruiting Talents

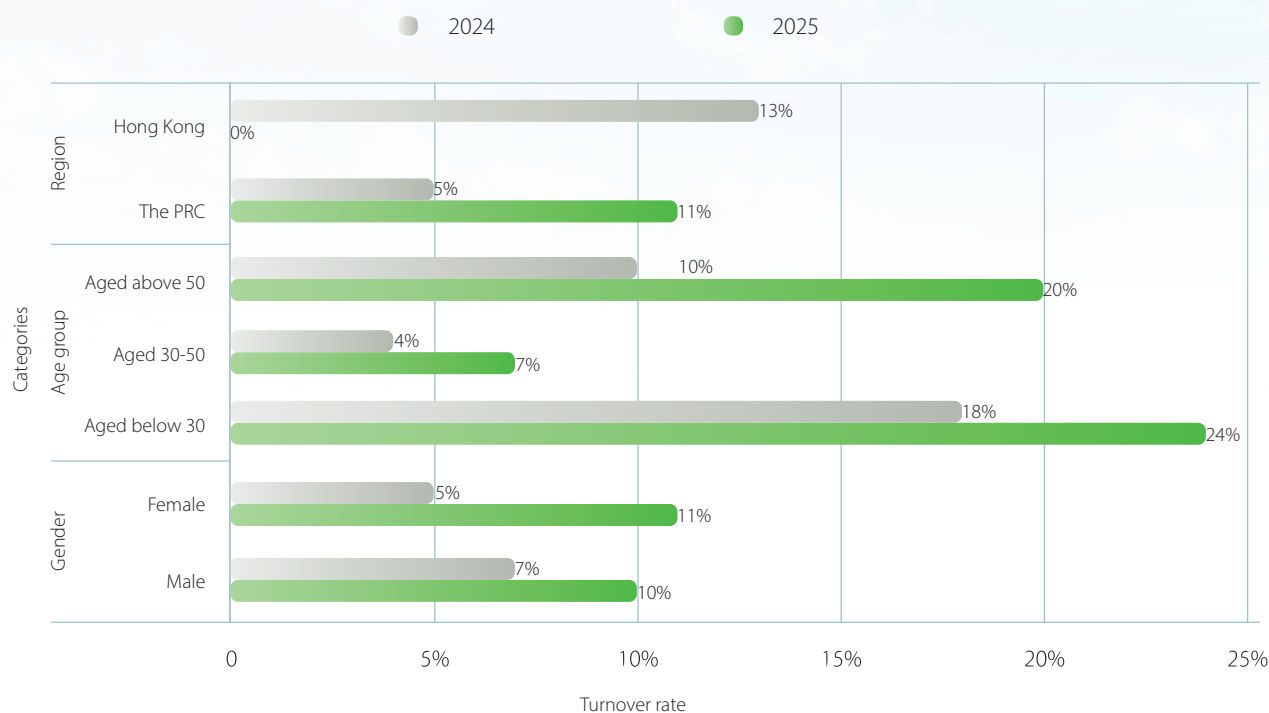
The Group recruits talents in a wide range and welcome talented and ambitious people to join it. To cope with the increasing expansion of the Group’s business, the Group recruits talents via various channels, including the company website, recruiting websites, recruitment agencies, career fairs in colleges and universities, industry forums and social media platforms. With an aim to establishing a high calibre talent pool, we conduct telephone interviews, preliminary tests, intermediate tests and final tests with candidates according to the requirements of the respective positions so as to ensure our employees are equipped with adequate knowledge and skills. The Group also allows internal transfers for employees to choose positions that align with their interests and career plans to acquire new experiences, knowledge and skills from new positions. As an employer providing equal opportunities and working environment, we offer equal opportunities and remuneration packages to all candidates and our existing staff, regardless of their gender, age, race, marital status or parental status, among others. We request the candidates to provide their identification documents to verify their age and identity during the recruitment process to avoid misemploying child labour. Prior to induction, employees are required to enter into labour contract with job descriptions, remunerations, insurance, welfare, working time and rest time clearly set forth to prevent any form of forced labour.

As at 31 December 2025, the Group employed a total of 133 (2024: 101) employees in Hong Kong and the PRC. The number of employees by gender, type of employment (full time or part-time), age group and geographical location are as follows:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

During the year, the number of employees who terminated their employment with the Group due to voluntary resignation or dismissal, retirement or death in Hong Kong and China during the year was 14 (2024: 6). The turnover rate of all employees was 11% (2024: 6%). The turnover rate by gender, age group and geographical location are as follows:



Safeguarding the Rights and Interests of our Staff

Employees serve as an important pillar and key to success of the Group. We care about the welfare of our employees and strive to safeguard their rights and interests. The Group strictly complies with the relevant laws and regulations in relation to labour rights and interests, including but not limited to the Employment Ordinance of Hong Kong, Labour Law of the PRC (《中華人民共和國勞動法》) and Labour Contract Law of the PRC (《中華人民共和國勞動合同法》). We strive to provide our staff with a workplace free from discrimination and harassment. Employees are encouraged to report any form of harassment and discrimination via our complaint mechanism. Based on the principle of “adapting to market environment, actualising values of talents and bringing out the full effects of incentives”, the Group makes annual adjustments to the remuneration of the staff with reference to various factors such as market conditions, working performance of the staff and price index, in an attempt to offer competitive remuneration packages to our employees. Apart from basic salary, we also offer performance pay and annual bonus based on individual performance of the employees and financial performance of the Group. The Group will arrange an exit interview upon receipt of the resignation letters from employees to understand the reasons of the resignation so as to improve the operation of the Group. The remaining balance of salary will also be paid in a timely manner.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

For work-life balance of employees, overtime work is not encouraged. Where an extension of working hours is needed, overtime work is compensated by overtime pay or time-off in lieu according to law. In addition to statutory holidays, all employees are offered paid annual leaves, marriage leaves, maternity leaves and compassionate leaves. Furthermore, the Group offers home leaves and pays for round-trip transportation expenses from the place of residence to their home for the dispatched employees to enjoy their family time. In addition to providing all staff with statutory welfare and security, such as the "Five Insurances & One Fund" (五險一金) under social security scheme (covering the pension insurance, medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing fund) and paid leaves, the Group also provides its staff with commercial supplementary medical insurance.

To build up a corporate culture of staff care and maintain staff cohesion, we arranged the following activities and welfare during the Year:

- Organised a wide range of celebration events and distribute carefully selected gifts or cash gift during traditional and special festivals:
 - Held a New Year gathering and year-end dinner during the Chinese New Year period for all employees, bringing everyone together to share the reunion meal, bid farewell to the old year and welcome the new, and strengthen team cohesion.
 - Held a "Joyful Lantern Festival" afternoon tea event during the Lantern Festival, where all employees enjoyed delicious Tangyuan and celebrated the traditional festival together
 - Purchased some special benefits for Women's Day on 8 March, preparing exquisite gifts for female employees, to demonstrate care for women employees
 - Conducted a Children's Day Care Activity, carefully selected school supplies to employees' children, showing concern for employees' families and creating a warm, home-like atmosphere
 - Organised a three-day, two-night team-building trip for all employees to Chaoshan in November, exploring the local cuisine, relaxing amidst the Lingnan charm and authentic delicacies, fostering camaraderie, and invigorating team spirit
- Organised a family open day, inviting employees' families to visit the company to enhance their understanding and support

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

- Organised seminars for employees on a regular basis to listen to the voice of employees and promote effective communication between management and employees
- held birthday parties every quarter for employees to give blessings and surprises to employees celebrating their birthdays during the season
- organised activities or department team building every month, taking care of employees in different ways:
 - Setting up interest groups such as the football club and the badminton club
 - Organising outdoor team-building activities, such as the “Together we soar, achieving more” themed team-building initiative, featuring diverse activities like hiking and visits to enhance the cohesion of the departments
- thoughtfully organised company trips in Spring and Fall for employees, guiding them to explore beautiful scenic spots and helping them alleviate work-related stress
- organised an annual sports day for employees, encouraging a healthy lifestyle and foster positive competition and interaction among departments
- offered comprehensive free annual body checks to focus on employees’ physical and mental well-being

Safeguarding the Safety and Health of the Employees

The Group adheres to the safety approach of “people-oriented and safety first” and the principle of “safety first, prevention-oriented and comprehensive governance” in the daily operation of its power plants and offices, and formulates a well-established production safety system, to ensure strict compliance with the relevant laws and regulations such as the Production Safety Law of the PRC (《中華人民共和國安全生產法》) and the Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents (《生產安全事故報告和調查處理條例》) during its operation.

Production safety management

- To develop a production safety responsibility system that clearly sets out the safety responsibilities of each unit;
- To hold a quality and production safety meeting once a week and a quality and safety meeting once a month;
- To carry out large-scale safety inspections in spring and autumn and immediately take corrective actions for any potential hazard discovered;
- To carry out a joint safety inspection for construction in progress once a week, daily routine inspections for operating power plants, and company-level safety inspections by the Group’s headquarters;
- To identify material hazard sources regarding occupational health and safety in accordance with factors such as the possibility of accidents and frequency of human exposure in hazardous environments; and
- To formulate controlling measures for hazard sources and review the effectiveness of such measures on a regular basis.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Occupational hygiene protection

- To formulate annual safety plans and summarise the implementation of such plans at the end of the year and develop next work plans;
- To supervise the proper wearing and application of personal protective equipment by all levels of our staff and replace expired, damaged or performance degraded protective equipment in a timely manner; and
- To request the employees operating special equipment to obtain relevant certificates, such as high-voltage equipment testing certificate, prior to commencement of work.

Occupational hygiene trainings

- To organise events such as safety day and production safety month on a regular basis to enhance employees' awareness towards occupational health and safety;
- To provide safety trainings for the employees, such as first aid trainings, safety knowledge and examples of incidents; and
- To conduct regular firefighting trainings.

Accident prevention and treatment

- To develop comprehensive emergency plans for production safety accidents, including accident risk description, emergency organisation and responsibilities, early warning and information reporting, so that employees can have relevant knowledge and corresponding measures for possible safety accidents;
- To establish an emergency response team and formulate emergency plans for different accidents such as fire, electric shock and personal injury;
- To establish accident reporting, investigation and handling system to reduce the possibility of accidents;
- To issue flood prevention guidelines to ensure safety of its employees and safe operation of equipment; and
- To carry out emergency drill.

In the past three years (including this year), the Group did not have any case of death caused by work-related injuries. During the year, there were 0 (2024: 0) occupational accidents resulting in 0 (2024: 0) employees injured, and 0 working day (2024: 0 working day) was lost due to work-related injuries. Management of the Group has reviewed relevant work-related injuries reports and optimized employee safety training to prevent the occurrence of occupational accident.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Promoting Personal Development

The knowledge and skills of employees are of utmost importance to the operation and business growth of the Group. As a result, we develop a well-planned career path for the employees to prepare for future business challenges. In order to build an excellent team that aligns with our development, we conduct regular assessment on the personal competence and performance of employees based on the principle of fairness, impartiality and openness. Comprehensive investigation and research on our middle-to-high level employees will also be carried out by asking other employees to provide objective and fair comments on their operating and management capabilities as well as self-cultivation. In addition, we are committed to offering our employees the opportunity of merit-based promotion and a stable working environment in their career pursuit. Our promotion is executed on a fair and open basis and any form of discrimination is not tolerated. When evaluating an employee for promotion, thorough consideration is given to the employee's personal quality, training record, ability and performance at work. Competent employees will be first considered for internal promotion when there is a job vacancy.

We believe that two-way communication is essential to increase job satisfaction and working efficiency of employees, thereby lowering the employee turnover rate. Our internal training mentors communicate with some employees regularly to understand their working conditions and create a favourable working atmosphere. Our internal mentors not only serve as a linkage between general employees and the management, but also provide employees with a wide range of effective trainings. To encourage internal mentors to actively commence training works, the Group formulates a mentor promotion mechanism and provides internal mentors with remunerations, material fees and welfare of teachers' day.

Investment in Talent Development - Solar Power Plant Related Business

Talent development is an integral part of the Group's human resources strategy. Staff trainings will be organised based on the Group's actual conditions and demands for talents in a planned way. We create personal training files for our employees which record all trainings received since their induction and serve as one of the bases for promotion and salary adjustment. The Group also has a comprehensive talent training system in place to provide various training courses for employees of different levels and professions. The Group organised four types of training, namely internal training, external training, network training and cooperative training. We also provide induction trainings for all new employees, covering corporate culture, company system and safety knowledge. The Group not only provides employees with internal trainings, but also motivates them to attend external courses and personal trainings. The Group arranged site visits for employees with an aim to continuously enhance their working ability and consolidate their professional skills. The Group also invited external training institutions to provide employees with 5S (i.e. sort, set in order, shine, standardise and sustain), technical and management training, so that employees learn a variety of knowledge. The Group also arranged licence-based external training for employees in need in order to help them to obtain professional licences such as safety officer certificates and high voltage electrician certificates. To provide employees with appropriate trainings without geographical constraints, our training approaches are not limited to in-class training and on-job training, but also uses electronic communication software as a learning platform to provide online training for employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

The training programs include the following examples:

Trainees	Course name
Management trainee	Training on relevant systems of the Company Safety education and training Production process of power plants Use of production management system Equipment inspection: key points of inspection and inspection precautions; Basic electrical knowledge and key parameters of equipment Fan Common failure handling (discovery and reporting)
New employees	Executive discussion and corporate culture presentation Special training on equipment in the region Safety education and training Expansion
Project director, regional deputy director and director	Communication management Problem analysis and solution Performance management Production management training Safety management training Business development
Regional specialised workers, project manager and shift leader	Dual rules assessment requirements Electricity trading training Plant communication Secondary security
All staff	Safety supervision department plan

For the purpose of optimising our training system, trainees will complete an evaluation survey on the training effectiveness and make suggestions upon completion of trainings. Their comments will be used for improving the quality of training courses and enhancing the satisfaction of trainees and values of such trainings for our business. Trainees who participate in external trainings are required to summarise their study achievements upon completion of trainings and to give a talk about the courses attended within the Group. We offer travel and meal allowances for all trainees. Besides, as an incentive for employees to attend large-scale national and municipal examinations for professional titles or practising licences relating to their positions, employees are entitled to study leave.

Training Development – Microfinance Business

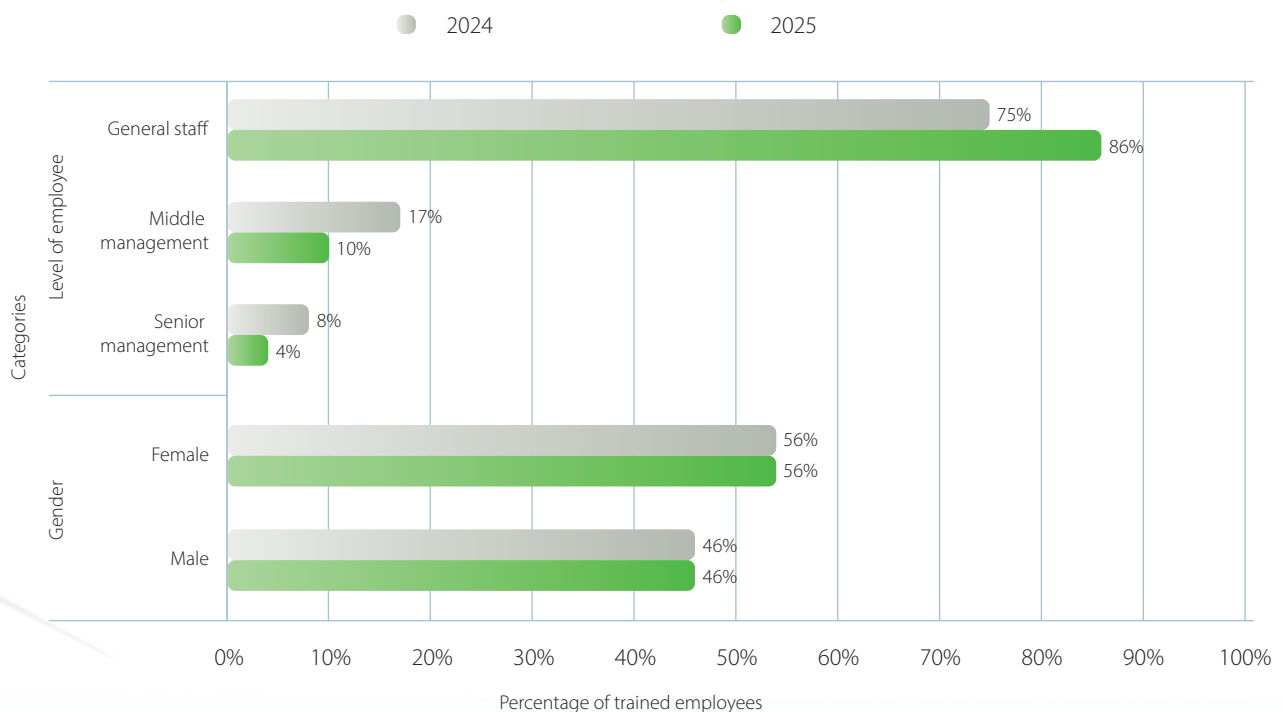
The microfinance business is another important segment of the Group. Against the backdrop of increasingly fierce industry competition and continuously tightening regulatory requirements, we place great emphasis on employee training for this business unit. At the beginning of the year, we developed a detailed annual training plan based on the company's strategic goals, departmental business needs, and employees' skill gaps. The plan covers various areas, including new employee onboarding training, job skill enhancement training, management capability training, and compliance and risk management training, aiming to improve the team's professional expertise and strengthen the company's core competitiveness.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Given the specialised nature of the microfinance business, we have particularly strengthened training in risk management and compliance. During the year, we focused on conducting professional review training sessions to enhance the risk control capabilities of the credit approval department. Approximately once a week, we held training and sharing sessions covering topics such as credit investigation techniques, loan approval processes, and the application of risk assessment models. Additionally, due to the unique characteristics of the microfinance industry, compliance and risk management training were conducted throughout the year. Employees were organised to study relevant laws, regulations, and regulatory policies, and participated in compliance case analysis and risk prevention training. These efforts have significantly improved employees' professional skills and their ability to mitigate risks.

To ensure the maximization of training effectiveness, we have established a comprehensive training evaluation monitoring mechanism. Through regular follow-ups, workplace observations, and performance assessments, we continuously monitor the application of training by employees and adjust our training strategies in a timely manner. In response to identified issues, such as insufficient alignment between training content and actual work, we have implemented improvement measures. These include strengthening communication and collaboration with various departments to gain a deeper understanding of practical work challenges and needs, incorporating more real-life case studies and work scenario simulations, and innovating training methods by introducing diverse approaches such as action learning, role-playing, and online learning platforms. These efforts aim to continuously enhance employee engagement and learning outcomes.

The proportion of all employees of the Group in Hong Kong and China receiving training during the year is 53% (2024: 24%). The percentage of trained employees by gender and type of employees are as follows:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

During the year, the average number of training hours completed by each employee of the Group in Hong Kong and China is 2 hours (2024: 2 hours). The average number of training hours completed by each employee divided by gender and employee category are set out as follows:



GREEN COMMUNITY — “JOIN HANDS TO BUILD A HARMONIOUS COMMUNITY”

Creating a Community of Integrity

Upholding integrity, ethics and honesty is the cornerstone of the Group’s success. The Group has zero tolerance towards behaviours such as bribery, extortion, fraud and money-laundering. All Directors, management and staff must comply with all relevant laws and regulations promulgated by the State and local governments in relation to the prevention of bribery, extortion, fraud and money laundering, including but not limited to the Criminal Law of the PRC (《中華人民共和國刑法》) and the Anti-Money Laundering Law of the PRC (《中華人民共和國反洗錢法》). In case any employee violates the company policy regarding anti-corruption, the Group will terminate its labour contract and transfer such case to the judicial authorities. Furthermore, the Group has a mechanism for declaration of interest in place, stipulating that all employees should avoid engaging in any activities that collide with the interest of the Group, and requiring all employees to report any situations that may involve conflict of interest with the Group, either directly or indirectly. There is also a whistle-blowing policy in place that provides a channel for employees to report suspected misconduct. Financial transactions such as approval of contracts or expense reimbursements are subject to review by a number of departments and the management so as to prevent employees from receiving benefits. In addition, we sign integrity agreements with our suppliers to enhance the awareness of operating in a lawful and honest manner, to create a law-abiding working environment with integrity and efficiency, and to prevent any breach of laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

The Group regularly provides anti-corruption training for employees to strengthen their awareness of integrity and self-discipline through ideological study, improve anti-corruption immunity, and resolutely say no to corrupt behavior. With the mindset and moral defense against corruption, employees can ensure their integrity, thus helping the Group to build a clean corporate team. During the Year, the Group has provided regular trainings on anti-corruption for 9 participants of the directors and senior management for a total of 9 hours of 1 hour of training. The Group will continue to provide regular anti-corruption trainings to its directors and employees. During the year ended 31 December 2025, there were no legal cases regarding corrupt practices brought against the Company or its employees.

Proper Use of Media Platform

The Group makes full use of diversified media channels to consolidate the communication with its stakeholders. Apart from promotional activities such as fairs, exhibitions and roadshows that facilitate direct access to stakeholders, we also prepare our own advertising videos and brochures to allow stakeholders to have comprehensive understandings of the Group. All information announced by the Group on different platforms is subject to the verification by the relevant departments and final confirmation by the designated departments. Furthermore, the information set out in all marketing materials of the Group is required to be true and accurate while false, misleading or incorrect statements in any form of communication are forbidden.

Care for the Community

The robust development of the Group depends on the continuous supports and trusts from the State and all sectors of the community. The Group is always grateful and is committed to promoting the social harmony, fulfilling its corporate responsibility and contributing to the society by participating in the local economic development, investing resources such as time, products and managerial knowledge, thereby improving the general public's living standard and facilitating healthy development of the local economy.

Good community relationship lays solid foundation for the sustainable development of an enterprise. The Group values its relationship with local community where its power plant projects are operating. In addition to sharing benefits of the community, the Group has also proactively undertaken the responsibility of building community. The Group also actively participates in welfare activities of community organisations, such as community garbage classification guidance and publicity work, and contributes to the society.

The Group upholds its original aspiration of "giving back to society and spreading warmth," actively fulfilling its social responsibilities. Through diverse initiatives, we participate in community development, focus on supporting vulnerable groups, promote educational advancement, and contribute to rural revitalization. We firmly believe that strong community relationships are the foundation for sustainable corporate development. By collaborating and sharing resources with local communities, we not only foster social harmony but also create a favorable environment for the long-term growth of the company.

Actively responded to the "Yuexiu District '630' Rural Revitalization Support Activity Proposal" issued by the Yuexiu District Charity Association of Guangzhou City, supporting the implementation of the rural revitalization strategy through concrete actions. After deliberation, the Company decided to donate RMB8,000.00 to the special fund of the Yuexiu District Charity Association, which will be exclusively used to support designated rural revitalization projects, contributing to improving the rural development environment and promoting balanced urban-rural development. This initiative fully demonstrates our corporate philosophy of "taking from society and giving back to society" and our firm commitment to social responsibility. Looking ahead, we will continue to deepen community investment, promote coordinated economic, environmental and social development, and contribute to the Group's sustainable development strategy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

CONTEXT INDEX OF THE “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE”

Subject areas, aspects, general disclosures and KPIs description	Sections/Statements	Page(s)
Environmental		
Aspect A1: Emissions		
General disclosure	Green Industry, Annual Emissions	74-75,
Information on:	Reduction Contribution, Resource	81-83,
(a) the policies; and	Conservation, Management of	84-86
(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Pollutants, Management of Wastes,	
relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Climate-Related Disclosure – Greenhouse Gas Emission	
KPI A1.1	The types of emissions and respective emissions data.	Management of Pollutants
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KPI A1.2	Deleted on 1 January 2025	Please refer to the new climate-related disclosures for 2025
		84-86
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Management of Wastes
		83
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Management of Wastes
		83
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Industry, Annual Emissions
		Reduction Contribution,
		Climate-Related Targets
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KPI A1.6	Description of how hazardous and non hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Management of Wastes
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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Subject areas, aspects, general disclosures and KPIs description	Sections/Statements	Page(s)
Aspect A2: Use of resources		
General disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: resources may be applied to production, storage, transportation, buildings and electronic devices, etc.	Resource Conservation	81-82
KPI A2.1 Direct and/or indirect energy (e.g. electricity, gas or oil) consumption (KWh in '000s) by type in total and intensity (e.g. per unit of production volume, per facility).	Resource Conservation	81-82
KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resource Conservation	81-82
KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Resource Conservation	81-82
KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resource Conservation	81-82
KPI A2.5 Total packaging material used for finished products (in tonnes) and, where appropriate, with reference to per unit produced.	As the Group is principally operating solar power plants, it does not involve any use of packaging materials.	N/A
Aspect A3: The environmental and natural resources		
General disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Green Industry, Annual Emissions Reduction Contribution, Climate-Related Strategies	74-75, 88-96
KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Industry, Annual Emissions Reduction Contribution, Climate-Related Strategies	74-75, 88-96
Aspect A4: Climate Change		
Deleted on 1 January 2025	Please refer to the new climate-related disclosures for 2025	88-98
KPI A4.1 Deleted on 1 January 2025	Please refer to the new climate-related disclosures for 2025	88-98

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Subject areas, aspects, general disclosures and KPIs description	Sections/Statements	Page(s)
Social		
Employment and labour practices		
Aspect B1: Employment		
<p>General disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer.</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>	<p>Recruiting Talents, Safeguarding the Rights and Interests of Our Staff, Promoting Personal Development</p>	<p>99-102, 104</p>
<p>KPI B1.1 Total workforce by gender, employment type, age group and geographical region.</p>	<p>Recruiting Talents</p>	<p>99-100</p>
<p>KPI B1.2 Employee turnover rate by gender, age group and geographical region.</p>	<p>Recruiting Talents</p>	<p>99-100</p>
Aspect B2: Health and safety		
<p>General disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer.</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	<p>Safeguarding the Safety and Health of the Employees</p>	<p>102-103</p>
<p>KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p>	<p>Safeguarding the Safety and Health of the Employees</p>	<p>102-103</p>
<p>KPI B2.2 Lost days due to work injury.</p>	<p>Safeguarding the Safety and Health of the Employees</p>	<p>102-103</p>
<p>KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.</p>	<p>Safeguarding the Safety and Health of the Employees</p>	<p>102-103</p>
Aspect B3: Development and training		
<p>General disclosure</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p>	<p>Promoting Personal Development, Investment in Talent Development</p>	<p>104-107</p>
<p>KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle-level management).</p>	<p>Investment in Talent Development</p>	<p>104-107</p>
<p>KPI B3.2 The average training hours completed per employee by gender and employee category.</p>	<p>Investment in Talent Development</p>	<p>104-107</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Subject areas, aspects, general disclosures and KPIs description	Sections/Statements	Page(s)
Aspect B4: Labour standards		
General disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Recruiting Talents	99-100
KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	Recruiting Talents	99-100
KPI B4.2 Description of steps taken to eliminate such practices when discovered.	No child or forced labour has come to the awareness of the Group in the Year.	99-100
Operating practises		
Aspect B5: Supply chain management		
General disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	79-80
KPI B5.1 Number of suppliers by geographical region.	Supply Chain Management	79-80
KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management	79-80
KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	79-80
KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	79-80

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Subject areas, aspects, general disclosures and KPIs description	Sections/Statements	Page(s)
Aspect B6: Product responsibility		
<p>General disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	Green Engineering — Management of Solar Power Plant Project, Emphasising Business Ethics, Proper Use of Media Platform	77-78, 80, 108
KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	As the Group is principally operating solar power plants, it does not involve any product recalls for safety and health reasons.	N/A
KPI B6.2 Number of products and service related complaints received and how they are dealt with.	As the Group is principally operating solar power plants, it does not involve any products and service related complaints.	N/A
KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	Emphasising Business Ethics	80
KPI B6.4 Description of quality assurance process and recall procedures.	<p>assurance process Green Engineering — Management of Solar Power Plant Project</p> <p>recall procedures As the Group is principally operating solar power plants, it does not involve any product recalls.</p>	77-78
KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Emphasising Business Ethics	80

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT *(continued)*

Subject areas, aspects, general disclosures and KPIs description	Sections/Statements	Page(s)
Aspect B7: Anti-corruption		
<p>General disclosure Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevention of bribery, extortion, fraud and money laundering. 	Creating a Community of Integrity	107-108
<p>KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.</p>	Creating a Community of Integrity	107-108
<p>KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.</p>	Creating a Community of Integrity	107-108
<p>KPI B7.3 Description of anti-corruption training provided to directors and staff.</p>	Creating a Community of Integrity	107-108
Community		
Aspect B8: Community investment		
<p>General disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p>	Proper Use of Media Platform, Care for the Community	108
<p>KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).</p>	Proper Use of Media Platform, Care for the Community	108
<p>KPI B8.2 Resources contributed to the focus area (e.g. money or time).</p>	Care for the Community	108

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KONG SUN HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Kong Sun Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 121 to 209, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1 to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately RMB229,620,000 during the year ended 31 December 2025. Additionally, the settlement of the Group's tariff adjustment receivables from the state-grid companies may take longer than originally anticipated by the management. These events or conditions, together with other matters set forth in note 2.1 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT *(continued)*

KEY AUDIT MATTERS

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

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

Impairment Assessment of Non-Financial Assets

(Refer to notes 15, 16 and 17(a) to the consolidated financial statements and the Group's significant accounting judgements and estimates in relation to impairment of non-financial assets (other than goodwill) set out in note 3)

As at 31 December 2025, the Group held significant non-financial assets, including property, plant and equipment, solar power plants and right-of-use assets, amounting to approximately RMB1,403,324,000.

Management performed impairment assessment of non-financial assets in accordance with the Group's accounting policies and concluded that no provision for impairment losses is deemed necessary for the year.

We identified impairment assessment of non-financial assets as a key audit matter due to its materiality to the consolidated financial statements and the significant management judgements and estimates involved in determining cash flow projections, including assumptions for electricity tariffs, supply levels and discount rates.

Our response:

Our audit procedures included:

- Evaluating the historical accuracy of management's budgeting and forecasting processes by comparing prior period forecasts with actual results, in order to assess the reliability of management's future cash flow projections;
- Conducting discussions with management to assess the reasonableness of the cash flow projections and the key assumptions applied in the value-in-use models, including discount rates and long-term growth rates, with reference to the underlying business performance and expected market conditions;
- Benchmarking significant assumptions used in the impairment assessment against independent industry data, market information and comparable entities, where available;
- Evaluating the competence, capabilities, independence and objectivity of the external valuation specialist engaged by the Group, and assessing the appropriateness of the valuation methodologies adopted, including, on a sample basis, testing the accuracy and completeness of the underlying data used in the valuation models and corroborating key judgements and assumptions with external market evidence; and
- Assessing the adequacy and appropriateness of the related disclosures in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

INDEPENDENT AUDITOR'S REPORT *(continued)*

KEY AUDIT MATTERS *(continued)*

Provision for Expected Credit Losses ("ECLs") on Trade and Other Receivables (including Tariff Adjustment Receivables)

(Refer to note 24 to the consolidated financial statements and the Group's significant accounting judgements and estimates in relation to provision for ECLs on trade and other receivables set out in note 3)

As at 31 December 2025, the Group's gross trade and other receivables amounted to approximately RMB2,529,727,000, against which an ECL allowance of approximately RMB545,952,000 has been recognised.

Management applied the simplified approach for trade receivables (other than loan receivables) and the general approach for loan receivables (included in trade receivables) and other receivables to estimate ECLs.

We identified provision for ECLs on trade and other receivables as a key audit matter due to its materiality to the consolidated financial statements and complexity of management's judgements in incorporating forward-looking economic conditions, historical trends, and debtor-specific credit risk assessment.

Our response:

Our audit procedures included:

- Obtaining an understanding of the Group's credit risk management framework and assessing the design and implementation of relevant controls over the identification, measurement and monitoring of ECLs, with reference to the requirements of the prevailing accounting standard;
- Evaluating the competence, capabilities, independence and objectivity of the external valuation specialist engaged by the Group, and assessing the appropriateness of the valuation methodologies adopted, including, on a sample basis, testing the accuracy and completeness of data used in the ECL models and corroborating key judgements and assumptions against available market and external evidence;
- Testing the mathematical accuracy of the ECL models by reperforming calculations based on the Group's accounting policies, historical loss experience and relevant forward-looking information;
- Reviewing sample-based substantive procedures performed for group audit purposes over trade and other receivables, including (i) reviewing customer correspondence, credit reports from public sources and other relevant information to assess the credit status and recoverability of outstanding balances; (ii) reviewing testing of subsequent settlements; and (iii) reviewing testing of the accuracy of the ageing analysis; and
- Assessing the adequacy and appropriateness of the related disclosures in note 24 to the consolidated financial statements with reference to the prevailing accounting standard.

INDEPENDENT AUDITOR'S REPORT (continued)

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's 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 consolidated financial statements.

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

INDEPENDENT AUDITOR'S REPORT *(continued)*

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT *(continued)*

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is So Wing Chiu (practising certificate number: P07841).

SUYA WWC CPA Limited

Certified Public Accountants (Practising)

Unit 4, 27/F, Wu Chung House,
213 Queen's Road East, Wanchai,
Hong Kong
27 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CONTINUING OPERATIONS			
Revenue	5	321,412	392,963
Cost of sales		(168,879)	(175,706)
Gross profit		152,533	217,257
Other income and gains/(losses), net	6	31,359	(14,441)
Administrative expenses		(79,077)	(131,090)
Gains on disposal of subsidiaries, net	12(b),32	46,354	38,339
Gains on disposal of an associate		1,676	–
Impairment loss on a solar power plant	16	–	(5,385)
Impairment losses on trade and other receivables, net	24	(250,547)	(261,401)
Impairment loss on loans to an associate		(3,250)	(1,281)
Impairment loss on loans to a joint venture		(165)	(2)
Finance costs	7	(97,914)	(98,070)
Impairment loss on interest in an associate		–	(6,694)
Impairment loss on interest in a joint venture		–	(220)
Share of losses of associates	18	(13,847)	(91,305)
Share of losses of joint ventures	19	(2,185)	(7,059)
Loss before income tax from continuing operations	8	(215,063)	(361,352)
Income tax expense	11	(14,557)	(25,782)
Loss for the year from continuing operations		(229,620)	(387,134)
DISCONTINUED OPERATION			
Loss for the year from a discontinued operation	12(b)	–	(213,994)
Loss for the year		(229,620)	(601,128)
Other comprehensive loss			
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
– Fair value changes of financial assets measured at fair value through other comprehensive income		(117,057)	(36,731)
<i>Items that will be reclassified to profit or loss in subsequent periods:</i>			
– Exchange differences on translation of foreign operations		349	(6,085)
Other comprehensive loss for the year, net of tax		(116,708)	(42,816)
Total comprehensive loss for the year		(346,328)	(643,944)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Loss for the year attributable to:			
– Equity shareholders of the Company		(215,431)	(523,312)
– Non-controlling interests		(14,189)	(77,816)
		(229,620)	(601,128)
Loss for the year attributable to equity shareholders of the Company:			
– from continuing operations		(215,431)	(374,693)
– from a discontinued operation		–	(148,619)
		(215,431)	(523,312)
Loss for the year attributable to non-controlling interests:			
– from continuing operations		(14,189)	(12,441)
– from a discontinued operation		–	(65,375)
		(14,189)	(77,816)
Total comprehensive loss for the year attributable to:			
– Equity shareholders of the Company		(332,139)	(566,128)
– Non-controlling interests		(14,189)	(77,816)
		(346,328)	(643,944)
Total comprehensive loss attributable to equity shareholders of the Company:			
– from continuing operations		(332,139)	(417,509)
– from a discontinued operation		–	(148,619)
		(332,139)	(566,128)
Total comprehensive loss attributable to non-controlling interests:			
– from continuing operations		(14,189)	(12,441)
– from a discontinued operation		–	(65,375)
		(14,189)	(77,816)
Loss per share attributable to equity shareholders of the Company	13		
Basic and diluted (RMB cents)			
– For loss for the year		(1.44)	(3.50)
– For loss for the year from continuing operations		(1.44)	(2.50)

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	15	16,824	17,448
Solar power plants	16	1,317,931	1,397,635
Right-of-use assets	17(a)	68,569	117,580
Interests in associates	18	192,201	128,334
Interests in joint ventures	19	200,284	202,469
Financial assets measured at fair value through other comprehensive income ("FVTOCI")	20	300,000	559,211
Intangible assets	21	4,593	–
Goodwill	22	–	–
Trade and other receivables	24	131,657	124,371
Deferred tax assets	29	1,200	12,164
Loans to an associate	34(a)	10,900	5,906
Total non-current assets		2,244,159	2,565,118
Current assets			
Inventories	23	–	–
Trade and other receivables	24	1,852,118	1,989,400
Loans to an associate	34(a)	120,885	118,129
Loans to a joint venture	34(b)	433	598
Restricted cash	25	19,078	18,256
Cash and cash equivalents	25	68,539	76,705
Total current assets		2,061,053	2,203,088
Current liabilities			
Trade and other payables	26	603,515	470,319
Lease liabilities	17(b)	5,301	24,459
Loans and borrowings	27	962,114	967,383
Corporate bonds	28	8,129	–
Tax payables		10,646	16,853
Total current liabilities		1,589,705	1,479,014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Net current assets		471,348	724,074
Total assets less current liabilities		2,715,507	3,289,192
Non-current liabilities			
Lease liabilities	17(b)	47,899	96,608
Loans and borrowings	27	678,138	846,661
Corporate bonds	28	-	8,334
Total non-current liabilities		726,037	951,603
NET ASSETS		1,989,470	2,337,589
Equity			
Share capital	30	6,486,588	6,486,588
Reserves	31	(4,538,045)	(4,210,966)
Equity attributable to equity shareholders of the Company		1,948,543	2,275,622
Non-controlling interests		40,927	61,967
TOTAL EQUITY		1,989,470	2,337,589

Approved and authorised for issue on behalf of the Board of Directors on 27 March 2026.

Mr. Li Guo
Executive Director

Ms. Liu Ying
Executive Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to equity shareholders of the Company							
	Share capital	Statutory reserves	Exchange fluctuation reserve	Fair value	Accumulated losses	Total	Non-controlling interests	Total equity
				reserve of financial instruments measured at				
				FVTOCI				
RMB'000 (note 30)	RMB'000 (note 31(a))	RMB'000 (note 31(b))	RMB'000 (note 31(c))	RMB'000	RMB'000	RMB'000	RMB'000	
At 1 January 2024	6,486,588	91,230	(45,314)	(845,463)	(2,845,291)	2,841,750	88,288	2,930,038
Loss for the year	-	-	-	-	(523,312)	(523,312)	(77,816)	(601,128)
Other comprehensive loss for the year, net of tax	-	-	(6,085)	(36,731)	-	(42,816)	-	(42,816)
Total comprehensive loss for the year	-	-	(6,085)	(36,731)	(523,312)	(566,128)	(77,816)	(643,944)
Appropriations to statutory reserves	-	4,007	-	-	(4,007)	-	-	-
Disposal of subsidiaries	-	(535)	-	-	535	-	53,918	53,918
Dividend paid to non-controlling interests	-	-	-	-	-	-	(2,423)	(2,423)
At 31 December 2024 and 1 January 2025	6,486,588	94,702	(51,399)	(882,194)	(3,372,075)	2,275,622	61,967	2,337,589
Loss for the year	-	-	-	-	(215,431)	(215,431)	(14,189)	(229,620)
Other comprehensive income/(loss) for the year, net of tax	-	-	349	(117,057)	-	(116,708)	-	(116,708)
Total comprehensive loss for the year	-	-	349	(117,057)	(215,431)	(332,139)	(14,189)	(346,328)
Establishment of safety fund reserve	-	5,060	-	-	-	5,060	-	5,060
Transfer of fair value reserve upon disposal of equity investment measured at FVTOCI	-	-	-	48,779	(48,779)	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	(3,621)	(3,621)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(3,230)	(3,230)
At 31 December 2025	6,486,588	99,762*	(51,050)*	(950,472)*	(3,636,285)*	1,948,543	40,927	1,989,470

* These reserve accounts comprise the consolidated reserves of approximately RMB4,538,045,000 (2024: RMB4,210,966,000) in the consolidated statement of financial position.

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Loss before income tax:			
From continuing operations		(215,063)	(361,352)
From a discontinued operation		–	(213,994)
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	15	650	5,121
Depreciation of solar power plants	16	79,149	95,410
Depreciation of right-of-use assets	17(a)	17,828	27,059
Amortisation of intangible assets	21	736	1,064
Gain on lease modification		–	(1,008)
Gain on early termination of leases	6	(16,460)	–
Foreign exchange gains, net		(2)	(6,543)
Gain on disposal of subsidiaries, net	12(b), 32	(46,354)	(38,339)
Loss/(gain) on disposal of property, plant and equipment	6	561	(3)
Gain on disposal of an associate		(1,676)	–
Share of losses of joint ventures		2,185	7,059
Share of losses of associates		13,847	91,305
Impairment loss on a solar power plant		–	5,385
Impairment loss on interest in an associate		–	6,694
Impairment loss on interest in a joint venture		–	220
Finance costs	7	97,914	98,070
Interest income	6	(11,635)	(11,875)
Impairment losses on trade and other receivables, net	24	250,547	261,401
Impairment loss on loans to a joint venture		165	2
Impairment loss on loans to an associate		3,250	1,281
Impairment loss on goodwill	6	–	547
Establishment for safety fund		5,060	–
Operating cash flows before working capital changes		180,702	(32,496)
Changes in inventories		–	14,986
Changes in trade and other receivables		(171,517)	142,061
Changes in trade and other payables		228,061	(148,744)
Cash generated from/(used in) operations		237,246	(24,193)
Income tax paid		(15,183)	(10,414)
Net cash generated from/(used in) operating activities		222,063	(34,607)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from investing activities			
Purchases of property, plant and equipment	15	(860)	(4,447)
Proceeds from disposal of property plant and equipment		–	1,798
Payments for construction of solar power plants	16	–	(6,684)
Proceeds from disposal of solar power plants		555	6,744
Proceeds from disposal of financial assets measured at FVTOCI		142,194	–
Purchases of intangible assets	21	(5,329)	–
Purchase of shareholding in associates		(84,500)	(5,000)
Interest received	6	11,635	11,875
Disposal of subsidiaries		4,516	(2,657)
Proceeds from disposal of associates		7,179	–
(Advances)/repayment of loans to an associate		(11,000)	612
Dividend received		1,283	–
Advances of loans to a joint venture		–	(600)
		65,673	1,641
Cash flows from financing activities			
Proceeds from new loans and borrowings		–	283,180
Repayments of loans and borrowings		(173,792)	(315,787)
Principal portion of lease payments		(20,123)	(18,563)
Interest paid on loans and borrowings		(91,118)	(65,465)
Interest paid on lease liabilities		(6,384)	(7,395)
Interest paid on corporate bond		(412)	(411)
Dividend paid to non-controlling interests		(3,230)	(2,423)
		(295,059)	(126,864)
		(7,323)	(159,830)
Cash and cash equivalent at beginning of the year		94,961	254,778
Effect of foreign exchange rate changes, net		(21)	13
		87,617	94,961
Analysis of balances of cash and cash equivalents			
Cash and cash equivalents as stated in the consolidated statement of financial position	25	68,539	76,705
Restricted cash	25	19,078	18,256
		87,617	94,961
Cash and cash equivalents as stated in the consolidated statement of cash flows			
		87,617	94,961

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION

Kong Sun Holdings Limited (the "Company") is a limited liability company incorporated in Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office and principal place of business of the Company are located at Unit 803-4, 8/F, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are investment in and operation of solar power plants, and provision of financial services.

Information about principal subsidiaries

For the year ended 31 December 2025

Company Name	Place of registration and business	Registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
江山新能源投資(揚州)有限公司 ⁽ⁱ⁾	People's Republic of China ("PRC")	HKD7,000,000,000	-	100%	Investment holding
江山永泰投資控股有限公司*	PRC	RMB6,000,000,000	-	100%	Investment holding
西藏江山豐融企業管理有限公司 ⁽ⁱⁱ⁾	PRC	RMB1,200,000,000	-	100%	Investment holding
強茂能源鄂爾多斯市有限責任公司*	PRC	RMB18,000,000	-	100%	Solar power generation
合肥綠源源光伏發電有限公司*	PRC	RMB77,000,000	-	100%	Solar power generation
肥西中暉光伏發電有限公司*	PRC	RMB40,000,000	-	100%	Solar power generation
常熟宏略光伏電站開發有限公司*	PRC	RMB1,501,000,000	-	100%	Solar power generation
定邊縣晶陽電力有限公司*	PRC	RMB246,000,000	-	100%	Solar power generation
定邊縣萬和順新能源發電有限公司*	PRC	RMB56,000,000	-	100%	Solar power generation
六安旭強新能源工程有限公司	PRC	RMB270,000,000	-	100%	Solar power generation
黃石黃源光伏電力開發有限公司*	PRC	RMB113,700,000	-	100%	Solar power generation
宿州旭強新能源工程有限公司*	PRC	RMB60,000,000	-	100%	Solar power generation
大同市皖銅新能源有限公司*	PRC	RMB36,000,000	-	100%	Solar power generation
榆林正信電力有限公司*	PRC	RMB99,000,000	-	100%	Solar power generation
靈璧永基新能源科技有限公司*	PRC	RMB30,000,000	-	100%	Solar power generation
江蘇海闊能源有限公司*	PRC	RMB10,000,000	-	100%	Trading of liquefied natural gas ("LNG")
廣州寶乾互聯網小額貸款有限公司*	PRC	RMB200,000,000	-	83.85%	Financial services
北京潤豐元大小額貸款有限公司 ⁽ⁱⁱⁱ⁾	PRC	RMB100,000,000	-	-	Micro financial business

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION (continued)

Information about principal subsidiaries (continued)

For the year ended 31 December 2024

Company Name	Place of registration and business	Registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
江山新能源投資(揚州)有限公司#	PRC	HKD8,000,000,000	–	100%	Investment holding
江山永泰投資控股有限公司*	PRC	RMB6,000,000,000	–	100%	Investment holding
西藏江山豐融企業管理有限公司 ⁽ⁱ⁾	PRC	RMB1,200,000,000	–	100%	Investment holding
強茂能源鄂爾多斯市有限責任公司*	PRC	RMB18,000,000	–	100%	Solar power generation
合肥綠聚源光伏發電有限公司*	PRC	RMB77,000,000	–	100%	Solar power generation
肥西中暉光伏發電有限公司*	PRC	RMB40,000,000	–	100%	Solar power generation
常熟宏略光伏電站開發有限公司*	PRC	RMB1,501,000,000	–	100%	Solar power generation
定邊縣晶陽電力有限公司*	PRC	RMB246,000,000	–	100%	Solar power generation
定邊縣萬和順新能源發電有限公司*	PRC	RMB56,000,000	–	100%	Solar power generation
六安旭強新能源工程有限公司	PRC	RMB270,000,000	–	100%	Solar power generation
黃石黃源光伏電力開發有限公司*	PRC	RMB113,700,000	–	100%	Solar power generation
宿州旭強新能源工程有限公司*	PRC	RMB60,000,000	–	100%	Solar power generation
大同市皖鋼新能源有限公司*	PRC	RMB36,000,000	–	100%	Solar power generation
榆林正信電力有限公司*	PRC	RMB99,000,000	–	100%	Solar power generation
靈璧永基新能源科技有限公司*	PRC	RMB30,000,000	–	100%	Solar power generation
江蘇海闊能源有限公司*	PRC	RMB10,000,000	–	100%	Trading of liquefied natural gas ("LNG")
廣州實乾互聯網小額貸款有限公司*	PRC	RMB200,000,000	–	83.85%	Financial services
北京潤豐元大小額貸款有限公司*	PRC	RMB100,000,000	–	55%	Micro financial business

This entity is registered as a wholly foreign-owned entity under the PRC law.

* These entities are registered as limited liability companies under the PRC law.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION (continued)

Information about principal subsidiaries (continued)

Notes:

- (i) On 13 November 2025, the Group effected a reduction of registered capital in this entity amounting to HKD1,000,000,000. Following the capital reduction, the Group continues to hold a 100% indirect equity interest in the entity, with no change in its ownership interest or control.
- (ii) This entity changed its name from “江山豐融投資有限公司” to “西藏江山豐融企業管理有限公司”. The new company name became effective on 23 July 2024.
- (iii) On 28 October 2025, the Group disposed of its 100% equity interests in Beijing Sihai and Qianan Ruihao, being the immediate holding companies of Beijing Runfengyuan. Accordingly, Beijing Sihai, Qianan Ruihao and Beijing Runfengyuan were de-consolidated from the Group’s consolidated financial statements from the date of disposal. Further details are disclosed in note 32(a) to the consolidated financial statements.

The above tables list the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the main board of the Stock Exchange. They have been prepared under the historical cost convention, except for certain equity investments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

The material accounting policies that have been used in the preparation of these financial statements are summarised in note 2.4. These policies have been consistently applied to all the years presented unless otherwise stated.

In preparing the financial statements, the directors considered the operations of the Group as a going concern notwithstanding that the Group incurred a net loss of approximately RMB229,620,000 during the year ended 31 December 2025. Additionally, the settlement of the Group’s tariff adjustment receivables from the state-grid companies may take longer than originally anticipated by the management. These events or conditions, indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the financial statements were prepared based on the assumption that the Group can be operated as a going concern and the directors are of the view that the Group will have sufficient working capital to finance its operations in the next twelve months from 31 December 2025, after taking into consideration the following:

- The expected settlement of the Group’s certain tariff adjustment receivables from the state-grid companies in the next twelve months from 31 December 2025, determined with reference to the historical settlement pattern.
- The approved sale-and-leaseback financing arrangements from a financial institution totalling RMB167,000,000 in relation to the Group’s solar power operations.

The directors believe that the aforementioned financing and operational measures will be successful, based on the continuous efforts and commitment given by the management.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the financial statements to write down the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of such adjustments have not yet been reflected in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

2.1 BASIS OF PREPARATION *(continued)*

The preparation of the financial statements requires the use of accounting judgements and estimates. These estimates are based on management's best knowledge of current events and actions; however, actual results may differ from those estimates. Areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangements with the other vote holders of the investee;
- (b) Rights arising from other contractual arrangements; and
- (c) The Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS (*continued*)

For the year ended 31 December 2025

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosure of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of oversea subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 *Presentation and Disclosure in Financial Statements*

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (continued)

HKFRS 19 and its amendments *Subsidiaries without Public Accountability: Disclosures*

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that uses these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity*

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosure that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 *Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (continued)

Amendments to HKAS 21 *Translating to a Hyperinflationary Presentation Currency*

Amendments to HKAS 21 *Translating to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7, (and the accompanying *Guidance on implementing HKFRS7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **HKFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKAS 7 *Statement of Cash Flows*:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

The Group assesses whether there is objective evidence that the investment in an associate and joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contributes to the ability to create outputs.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Business combinations and goodwill *(continued)*

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Fair value measurement

The Group measures certain equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Impairment of non-financial assets *(continued)*

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity, and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; (If the Group is itself such a plan) and the sponsoring employers of the post-employment benefit plan;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale or disposal”. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Buildings	20 years
Plant and machinery	10 – 15 years
Motor vehicles	5 years
Furniture, fixtures and equipment	5 years
Solar power plants	25 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each financial year.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Computer software

Computer software is stated at cost and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Leases

The Group assesses at contract inception 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 an identified asset for a period of time in exchange for consideration.

Group as a lessee

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	43 years
Office premises	1 to 16 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Leases *(continued)*

Group as a lessee *(continued)*

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease term.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

- Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Investments and other financial assets *(continued)*

Subsequent measurement *(continued)*

- Financial assets measured at fair value through other comprehensive income (equity investments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments measured at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset to be credit-impaired when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be credit-impaired when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Interest income on credit-impaired financial assets is calculated based on amortised cost (i.e. the gross carrying amount less loss allowance) of the financial assets. For non-credit impaired financial assets interest income is calculated based on the gross carrying amount.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt financial assets other than trade receivables which applies simplified approach are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, lease liabilities, loans and borrowings, loans from an associate, and corporate bonds.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

- Financial liabilities at amortised cost
After initial recognition, the Group's financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Income tax *(continued)*

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry-forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant related to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value-added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time. Control of the goods or services is transferred over time if the Group's performance:

- provides all the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services is transferred over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Revenue recognition *(continued)*

Revenue from contracts with customers *(continued)*

- (a) Sales of electricity
Revenue from sales of electricity is recognised at a point in time when the control of the electricity is transferred, being at the point when electricity is generated and transmitted to the customer. The Group has elected the practical expedient to recognise revenue in the amount to which the Group has a right to invoice as the amount represents and corresponds directly with the value of performance completed and transferred to the power grid companies. The Group has no unsatisfied performance obligations at each reporting date.
- (b) Operation and maintenance services
Revenue from the provision of solar power plant maintenance is recognised when the services are rendered according to the terms of the services agreements.
- (c) Financial services
Interest income from provision of financial services is recognised on a time-proportion basis using the effective interest method.

Other income

- (a) Rental income
Rental income is recognised on a time-proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.
- (b) Interest income
Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.
- (c) Dividend income
Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Employee benefits

(a) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled in full within twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(b) Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all its employees. Contributions are made based on the percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute 5% of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

(c) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in these financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain subsidiaries are currencies other than RMB. At the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their profits or losses are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting transaction exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For purpose of the consolidated statement of cash flow, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such estimate cannot be made, if applicable.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Current tax and deferred tax

The Group is subject to income taxes in Hong Kong and the Chinese Mainland. Significant judgement is required in determining the amount of the provision for taxes and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises taxes based on estimates of the likely outcome with reference to current tax laws and practices. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income taxes and deferred tax provision in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses will be recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and taxation in the periods in which such estimate is changed.

Existence of significant influence over certain associates

The Group accounts for its investments in 蘇州中能鼎立科技有限公司 and 北京江山明輝新能源有限公司, details of which are disclosed in note 18 to the consolidated financial statements, as interests in associates.

In assessing whether the Group has significant influence over these investees, the Group has considered its ability to participate in the financial and operational policy decisions of the investees, including the voting rights held by the Group, the composition of the board of directors and senior management of these investees, and the expertise and influence of directors appointed by other shareholders.

In the opinion of the directors of the Company, the Group had ability to exercise significant influence over these investees throughout the years ended 31 December 2025 and 2024. Accordingly, these investees have been accounted for as associates in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product or service type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historically observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historically observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade and other receivables is disclosed in note 24 to the consolidated financial statements.

Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. The Group's non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Details of the estimates of recoverable amounts of cash-generating units containing property, plant and equipment, solar power plants, and right-of-use assets are disclosed in note 15, 16, and 17(a) to the consolidated financial statements, respectively.

Estimated useful lives of items of property, plant and equipment and solar power plants

The Group depreciates property, plant and equipment and solar power plants on straight-line method over the estimated useful life, and after taking into account their estimated residual value, at 4% to 20% per annum, commencing from the date on which the assets are available for use. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment and solar power plants.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services with reportable operating segments as follows:

Solar power segment	:	Engages in investment in and operation of solar power plants.
Financial services segment	:	Engages in provision of online micro-lending and related credit facilitation services.
Liquefied natural gas ("LNG") segment [^]	:	Engages in trading of LNG.
Health management services segment*	:	Engages in provision of health management services.

[^] Ceased as a reporting segment during the year ended 31 December 2024.

* Disposed and classified as a discontinued operation during the year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION *(continued)*

For the purpose of assessing segment performance and allocating resources between segments, management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

- Segment assets include all non-current and current assets with the exception of corporate assets. Segment liabilities include trade creditors and other payables attributable to the individual segments and loans and borrowings managed directly by the segments.
- Turnover and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments.
- The measure used for reporting segment profit is “adjusted EBITDA” i.e. “adjusted earnings before interest, taxes, depreciation and amortisation”, where “interest” is regarded as including investment income. To arrive at adjusted EBITDA the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as directors’ and auditors’ remuneration and other head office or corporate administration costs.
- In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and additions to non-current segment assets used by the segments in their operations.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION (continued)

	2025		
	Solar power RMB'000	Financial services RMB'000	Total RMB'000
Revenue from external customers	202,307	119,105	321,412
Inter-segment revenue	-	-	-
Reportable segment revenue	202,307	119,105	321,412
Reportable segment profit/(loss) (adjusted EBITDA)	95,106	(111,555)	(16,449)
Other interest income	2	-	2
Interest expense	(20,509)	-	(20,509)
Amortisation and depreciation	(82,465)	(537)	(83,002)
Impairment losses on trade and other receivables, net	(210)	(182,952)	(183,162)
Reportable segment assets	3,062,369	181,259	3,243,628
Reportable segment liabilities	(1,319,834)	(30,033)	(1,349,867)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION (continued)

	2024		
	Solar power RMB'000	Financial services RMB'000	Total RMB'000
Revenue from external customers	277,435	115,528	392,963
Inter-segment revenue	–	–	–
Reportable segment revenue	277,435	115,528	392,963
Reportable segment profit/(loss) (adjusted EBITDA)	19,781	(7,333)	12,448
Other interest income	66	235	301
Interest expense	(53,964)	(26)	(53,990)
Amortisation and depreciation	(101,765)	(572)	(102,337)
Impairment losses on trade and other receivables, net	(81,243)	(22,856)	(104,099)
Impairment loss on a solar power plant	(5,385)	–	(5,385)
Reportable segment assets	3,055,393	476,057	3,531,450
Reportable segment liabilities	(1,401,298)	(179,030)	(1,580,328)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION (continued)

Reconciliation of segment financial information

	2025 RMB'000	2024 RMB'000
Revenue		
Reportable segment revenue	321,412	392,963
Elimination of inter-segment revenue	–	–
Consolidated revenue from continuing operations	321,412	392,963
Profit or loss		
Reportable segment (loss)/profit	(16,449)	12,448
Non-reportable segment:		
Other gains/(losses), net	27,347	(14,742)
Impairment losses on trade and other receivables	(67,385)	(157,302)
Impairment loss on loans to an associate	(3,250)	(1,281)
Impairment loss on loans to a joint venture	(165)	(2)
Impairment loss on interest in an associate	–	(6,694)
Impairment loss on interest in a joint venture	–	(220)
Impairment loss on goodwill	–	(547)
Amortisation and depreciation	(14,625)	(4,661)
Gains on disposals of subsidiaries, net	46,354	38,339
Gains on disposal of an associate	1,676	–
Share of losses of associates	(13,847)	(91,305)
Share of losses of joint ventures	(2,185)	(7,059)
Finance costs	(39,258)	(44,080)
Unallocated corporate expenses	(133,276)	(84,246)
Consolidated loss before income tax from continuing operations	(215,063)	(361,352)
Assets		
Reportable segment assets	3,243,628	3,531,450
Non-reportable segment:		
Interests in associates	192,201	128,334
Interests in joint ventures	200,284	202,469
Financial assets measured at FVTOCI	300,000	559,211
Deferred tax assets	1,200	12,164
Unallocated corporate assets	367,899	334,578
Consolidated total assets	4,305,212	4,768,206
Liabilities		
Reportable segment liabilities	1,349,867	1,580,328
Non-reportable segment:		
Corporate bonds	8,129	8,334
Loans and borrowings	237,250	239,750
Lease liabilities	15,640	70,898
Unallocated corporate liabilities	704,856	531,307
Consolidated total liabilities	2,315,742	2,430,617

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

As the Group does not have material operations outside the Chinese Mainland, no geographical segment information is presented.

5. REVENUE

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	321,412	392,963

(a) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Type of services		
Sales of electricity ⁽ⁱ⁾	202,307	239,455
Provision of solar power plant operation and maintenance services	–	37,980
Interest income from the provision of financial services	119,105	115,528
	321,412	392,963
Timing of revenue recognition		
Goods transferred at a point in time	202,307	239,455
Services transferred over time	119,105	153,508
	321,412	392,963

Note:

- (i) During the year ended 31 December 2025, sales of electricity include renewable energy subsidies from the state-grid companies in various provinces, amounted to approximately RMB128,262,000 (2024: RMB150,833,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

5. REVENUE (continued)

(b) Major customers

Revenue from major customers, which amounted to 10% or more of the total revenue, is set out below:

	2025 RMB'000	2024 RMB'000
Customer A in solar power segment	66,789	76,224
Customer B in solar power segment	42,825	43,525

(c) Performance obligations

The Group has no unsatisfied performance obligations at the end of the reporting period (2024: Nil).

6. OTHER INCOME AND GAINS/(LOSSES), NET

An analysis of the Group's other income and gains/(losses), net from continuing operations is as follows:

	2025 RMB'000	2024 RMB'000
Interest income on bank deposits	213	1,177
Interest income from a former subsidiary	–	285
Interest income from an associate (note 34(a))	11,422	10,698
Compensation arising from litigation	4,153	(22,537)
Gain on lease modification (note 17(c))	–	1,008
Gain on early termination of leases (note 17(c))	16,460	–
(Loss)/gain on disposal of property, plant and equipment	(561)	3
Government grants ⁽ⁱ⁾	37	154
Rental income	789	164
Rental expense	(584)	(8,321)
Consultancy income	189	937
Solar power plant rectification expenses	–	(2,222)
Impairment loss on goodwill (note 22)	–	(547)
Net foreign exchange gains	2	6,543
Others	(761)	(1,783)
	31,359	(14,441)

Note:

- (i) Government grants represent subsidies received from the PRC government by certain subsidiaries of the Group in the Chinese Mainland as compensation for operating costs and for enterprise development. There are no unfulfilled conditions or contingencies attached to these grants.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2025 RMB'000	2024 RMB'000
Interest on loans and borrowings	91,118	90,264
Imputed interest on corporate bonds (note 28)	412	411
Interest on lease liabilities (note 17(b))	6,384	7,395
	97,914	98,070

8. LOSS BEFORE INCOME TAX

The Group's loss before income tax from continuing operations is arrived at after charging:

	2025 RMB'000	2024 RMB'000
Auditor's remuneration		
Audit services	1,900	2,200
Non-audit services	–	777
Amortisation		
Amortisation of intangible assets (included in administrative expenses) (note 21)	736	–
Depreciation		
Property, plant and equipment (note 15) (included in cost of sales and administrative expenses)	650	1,122
Solar power plants (note 16) (included in cost of sales)	79,149	95,410
Right-of-use assets (included in cost of sales and administrative expenses) (note 17(a))	17,828	21,021
Lease payments not included in the measurement of lease liabilities (note 17(c))	1,148	8,321
Employee benefit expenses (including directors' emoluments)		
Salaries, wages and other benefits	32,134	107,485
Pension scheme contributions	6,256	23,302

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

9. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383 of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

For the year ended 31 December 2025

	Fees RMB'000	Salaries, allowances and other benefit in kind RMB'000	Pension scheme contributions RMB'000	Total RMB'000
Executive directors				
Mr. Hua Min	220	302	–	522
Mr. Li Guo	220	989	16	1,225
Mr. Xian He ⁽ⁱ⁾	9	850	151	1,010
Ms. Liu Ying ⁽ⁱⁱ⁾	211	–	–	211
	660	2,141	167	2,968
Chairman and non-executive directors				
Mr. Jiang Hengwen (Chairman)	220	–	–	220
Mr. Wu Zhenzhou ⁽ⁱⁱⁱ⁾	165	–	–	165
	385	–	–	385
Independent non-executive directors				
Mr. Tang Jian	220	–	–	220
Ms. Tang Yinghong ^(iv)	215	–	–	215
Ms. Wu Wennan ^(v)	77	–	–	77
Ms. Sun Yiwen ^(vi)	143	–	–	143
Mr. Qin Junyi ^(vii)	5	–	–	5
	660	–	–	660
	1,705	2,141	167	4,013

Notes:

- (i) Mr. Xian He resigned as an executive director of the Company on 15 January 2025
- (ii) Ms. Liu Ying was appointed as an executive director of the Company on 15 January 2025
- (iii) Mr. Wu Zhenzhou was appointed as a non-executive director of the Company on 15 January 2025 and resigned on 16 October 2025
- (iv) Ms. Tang Yinghong resigned as an independent non-executive director of the Company on 23 December 2025
- (v) Ms. Wu Wennan resigned as an independent non-executive director of the Company on 7 May 2025
- (vi) Ms. Sun Yiwen was appointed as an independent non-executive director of the Company on 7 May 2025
- (vii) Mr. Qin Junyi was appointed as an independent non-executive director of the Company on 23 December 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

9. DIRECTORS' REMUNERATION (continued)

For the year ended 31 December 2024

	Fees RMB'000	Salaries, allowances and other benefit in kind RMB'000	Pension scheme contributions RMB'000	Total RMB'000
Executive directors				
Mr. Hua Min ⁽ⁱ⁾	5	-	-	5
Mr. Li Guo ⁽ⁱ⁾	5	678	14	697
Mr. Xian He	219	850	161	1,230
	229	1,528	175	1,932
Chairman and non-executive director				
Mr. Jiang Hengwen	219	-	-	219
Independent non-executive directors				
Mr. Tang Jian ⁽ⁱⁱ⁾	122	-	-	122
Ms. Tang Yinghong	219	-	-	219
Ms. Wu Wennan	219	-	-	219
Mr. Xu Xiang ⁽ⁱⁱⁱ⁾	97	-	-	97
	657	-	-	657
	1,105	1,528	175	2,808

Note:

- (i) Mr. Hua Min and Mr. Li Guo were appointed as executive directors of the Company on 23 December 2024.
- (ii) Mr. Tang Jian was appointed as an independent non-executive director of the Company on 11 June 2024.
- (iii) Mr. Xu Xiang resigned as an independent non-executive director of the Company on 11 June 2024.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2024: Nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

10. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals during the year included two directors (2024: two directors), details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining three (2024: three) highest paid individuals who are not a director of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	2,970	3,276
Pension scheme contributions	495	349
	3,465	3,625

The number of non-director highest paid individuals whose remuneration fell within the following bands is as follows:

	Number of individuals	
	2025	2024
Nil to HK\$1,000,000	1	–
HK\$1,000,001 to HK\$1,500,000	2	3
	3	3

During the year ended 31 December 2025 and 2024, no emoluments were paid to any of the above five individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

11. INCOME TAX

Income tax expense from continuing operations in the consolidated statement of profit or loss represents:

	2025 RMB'000	2024 RMB'000
Current tax		
PRC Enterprise Income Tax	8,976	25,782
Deferred tax (note 29)	5,581	–
	14,557	25,782

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

11. INCOME TAX (continued)

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 December 2025 and 2024.

The Group's subsidiaries domiciled in the Chinese Mainland are subject to PRC Enterprise Income Tax at the statutory rate of 25% (2024: 25%), except for certain subsidiaries with a beneficial tax rate of 15% (2024: 15%).

Pursuant to the Notice on the *Execution of the Catalogue of Public Infrastructure Projects Entitled to Preferential Tax Treatment* (CaiShui [2008] No. 46) (the "Catalogue") jointly issued by the Ministry of Finance and the State Taxation Administration, certain solar power plant projects of the Group approved after 1 January 2008 qualify for preferential corporate income tax treatment. Specifically, these projects are entitled to a tax exemption period of three years commencing in the respective fiscal year in which the first operating revenue is recognised, followed by a subsequent three-year period during which corporate income tax is levied at 50% of the applicable rate. This preferential treatment is conditional upon compliance with the requirements outlined in the Catalogue and relevant regulatory provisions.

Under the Enterprise Income Tax Law of the PRC and its implementing regulations, dividends distributed by a Chinese Mainland-resident enterprise to its non-Chinese Mainland immediate holding company are generally subject to a statutory withholding tax rate of 10%, unless a reduced rate applies under applicable tax treaties or arrangements. Earnings generated from 1 January 2008 onward, as well as undistributed earnings accrued prior to that date, are exempt from withholding tax under transitional provisions.

In accordance with the *Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion*, a Hong Kong tax resident enterprise that qualifies as the "beneficial owner" of dividends and directly holds no less than 25% of the equity interest in the distributing Chinese Mainland enterprise is eligible for a reduced withholding tax rate of 5%.

Deferred tax liabilities related to withholding taxes on temporary differences arising from the undistributed profits of the Group's Chinese Mainland subsidiaries have not been recognised. This treatment aligns with the requirements of HKAS 12 *Income Taxes*, as the Group exercises control over the dividend distribution policies of these entities, and management has determined that it is probable such profits will not be distributed in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

11. INCOME TAX (continued)

A reconciliation of income tax expense applicable to loss before income tax from continuing operations at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	2025 RMB'000	2024 RMB'000
Loss before income tax from continuing operations	(215,063)	(361,352)
Tax credit at respective statutory rates	(52,930)	(90,338)
Tax effect of income not subject to tax	(12,698)	(11,365)
Tax effect of expenses not deductible for tax	58,870	68,883
Tax effect of tax loss not recognised	15,734	58,602
Tax effect of temporary differences	5,581	–
Tax charge from continuing operations at the effective rate	14,557	25,782

12. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION

(a) Disposal Group Formerly Classified as Held for Sale

Certain wholly owned subsidiaries of the Company, namely 黃石黃源光伏電力開發有限公司, 定邊縣晶陽電力有限公司, 定邊縣萬和順新能源發電有限公司, and 榆林正信電力有限公司 (collectively, the “2023 Disposal Group”), were classified as a disposal group held for sale following the execution of sale and purchase agreements (“SPAs”) with independent third-part purchasers on 11 August 2023.

During the year ended December 2024, the Group reassessed the classification of the 2023 Disposal Group and concluded that the “highly probable” criterion under HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* was no longer satisfied due to delays in the proposed disposal pending completion of the national subsidy verification process by the PRC regulatory authorities. Accordingly, the 2023 Disposal Group ceased to be classified as held for sale.

During the year ended 31 December 2025, the Group and the purchaser mutually agreed to terminate the outstanding SPAs after the relevant conditions precedent could not be fulfilled. Management considers that the termination does not have a material adverse impact on the financial position or results of operations of the Group.

(b) Discontinued operation

During the year ended 31 December 2024, the Company disposed of its interest in 北京鷹之眼智慧健康科技有限公司 (“Beijing Eagle Eye”), the principal activity of which is provision of health management services in the Chinese Mainland. The disposal was completed on 30 December 2024, upon which Beijing Eagle Eye was classified as a discontinued operation. With Beijing Eagle Eye being disposed and its results for the year ended 31 December 2024 being classified as a discontinued operation, the health management services segment is no longer included in the note for operating segment information.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

12. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION (continued)

(b) Discontinued operation (continued)

The results of Beijing Eagle Eye which have been included in the Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024 are presented below:

	2024 RMB'000
Revenue	9,613
Cost of sales	(7,658)
Gross profit	1,955
Other losses, net	(5,398)
Administrative expenses	(206,968)
Finance costs	(3,583)
Loss before income tax from a discontinued operation	(213,994)
Income tax expense	–
Loss for the year from a discontinued operation	(213,994)
Loss for the year from a discontinued operation attributable to:	
Equity shareholders of Beijing Eagle Eye	(148,619)
Non-controlling interests	(65,375)
	(213,994)

The cash flows of Beijing Eagle Eye which have been included in the Group's consolidated statement of cash flows for the year ended 31 December 2024 are presented below:

	2024 RMB'000
Net cash flows from operating activities	35,628
Net cash flows from investing activities	(16,336)
Net cash flows from financing activities	(20,841)
Net cash flows	(1,549)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

12. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION (continued)

(b) Discontinued operation (continued)

Information about the gain on disposal of Beijing Eagle Eye is as follows:

	RMB'000
Consideration received	RMB1
Less: assets and liabilities over which control was lost	
– Current assets	122,300
– Non-current assets	128,733
– Current liabilities	(279,336)
– Non-current liabilities	(15,548)
Total net assets disposed of	(43,851)
Gain on disposal	43,851
Net cash inflow arising from the disposal	
Cash consideration received	RMB1
Less: cash and cash equivalent disposed of	–
	RMB1

13. LOSS PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The calculation of basic loss per share amount is based on loss for the year attributable to equity shareholders of the Company of approximately RMB215,431,000 (2024: RMB523,312,000) and the weighted average number of ordinary shares of 14,964,442,000 (2024: 14,964,442,000) outstanding during the year.

The calculation of basic loss per share from continuing operations is based on loss for the year from continuing operations attributable to equity shareholders of the Company of approximately RMB215,431,000 (2024: RMB374,693,000) and the weighted average number of ordinary shares of 14,964,442,000 (2024: 14,964,442,000) outstanding during the year.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2025 (2024: Nil).

14. DIVIDEND

No dividend was paid or declared during the year ended 31 December 2025 nor has any dividend been declared since the end of the reporting period (2024: Nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Furniture, fixtures and equipment RMB'000	Total RMB'000
Cost					
At 1 January 2024	24,244	12,142	5,172	28,533	70,091
Additions	–	3,484	46	917	4,447
Disposal of subsidiaries (note 32(c))	(2,097)	(11,642)	(2,390)	(10,200)	(26,329)
Transfer from a disposal group formerly classified as held for sale (note 12(a))	946	–	9	284	1,239
Disposals	–	(1,478)	(277)	(2,912)	(4,667)
Exchange realignment	–	–	8	–	8
At 31 December 2024 and 1 January 2025	23,093	2,506	2,568	16,622	44,789
Additions	–	770	–	90	860
Disposal of subsidiaries (note 32(a))	–	(1,209)	(381)	(29)	(1,619)
Disposals	–	(770)	–	–	(770)
At 31 December 2025	23,093	1,297	2,187	16,683	43,260
Accumulated depreciation					
At 1 January 2024	9,681	3,407	3,999	21,587	38,674
Charge for the year (note 8)	1,040	1,911	217	1,953	5,121
Transfer from a disposal group formerly classified as held for sale (note 12(a))	134	–	8	17	159
Disposal of subsidiaries (note 32(c))	(1,732)	(2,503)	(1,379)	(8,138)	(13,752)
Written-back on disposals	–	(649)	(285)	(1,935)	(2,869)
Exchange realignment	–	–	8	–	8
At 31 December 2024 and 1 January 2025	9,123	2,166	2,568	13,484	27,341
Charge for the year (note 8)	266	12	–	372	650
Disposal of subsidiaries (note 32(a))	–	(939)	(381)	(26)	(1,346)
Written-back on disposals	–	(209)	–	–	(209)
At 31 December 2025	9,389	1,030	2,187	13,830	26,436
Net carrying amount					
At 31 December 2024	13,970	340	–	3,138	17,448
At 31 December 2025	13,704	267	–	2,853	16,824

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

16. SOLAR POWER PLANTS

	Solar power plants RMB'000	Solar power plants under construction RMB'000	Total RMB'000
Cost			
At 1 January 2024	1,234,916	3,390	1,238,306
Additions	6,684	–	6,684
Transfer from a disposal group formerly classified as held for sale	878,249	–	878,249
Disposals	(6,744)	–	(6,744)
At 31 December 2024 and 1 January 2025	2,113,105	3,390	2,116,495
Disposals	(770)	–	(770)
At 31 December 2025	2,112,335	3,390	2,115,725
Accumulated depreciation and impairment losses			
At 1 January 2024	295,210	–	295,210
Charge for the year (note 8)	95,410	–	95,410
Transfer from a disposal group formerly classified as held for sale	322,855	–	322,855
Impairment	1,995	3,390	5,385
At 31 December 2024 and 1 January 2025	715,470	3,390	718,860
Charge for the year (note 8)	79,149	–	79,149
Written-back on disposals	(215)	–	(215)
At 31 December 2025	794,404	3,390	797,794
Net carrying amount			
At 31 December 2024	1,397,635	–	1,397,635
At 31 December 2025	1,317,931	–	1,317,931

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

16. SOLAR POWER PLANTS (continued)

Solar power plants are classified as operational assets upon completion of trial operations, successful connection to the provincial power grid, and commencement of commercial electricity generation. This classification aligns with the Group's capitalisation policy and the prevailing accounting standards.

Management conducts impairment testing for operational solar power plants using the value-in-use ("VIU") model under HKAS 36 *Impairment of Assets*. The VIU is calculated via the discounted cash flow ("DCF") method, incorporating the following key elements:

Cash Flow Projections:

- Cash flows are derived from detailed financial budgets approved by management, covering an initial 5-year period. These budgets are grounded in historical performance, contracted energy prices, operational cost structures, and feasibility studies.
- Projections beyond the initial 5-year period are extrapolated to the end of the assets' estimated useful lives (15-17 years in total), as supported by technical feasibility studies.

Key Assumptions:

- Energy production volumes, tariff rates, operational expenditures, and capital maintenance costs are based on historical data, contractual agreements, and industry benchmarks.
- Inflation rates and regulatory changes are factored into cost and revenue projections.
- The discount rate of 7.92% to 10.31% (2024: 8.38% to 10.79%) applied is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the solar power assets.

No impairment loss was recognised for the year ended 31 December 2025 (2024: RMB5,385,000).

As at 31 December 2025, solar power plants with a carrying amount of approximately RMB918,142,000 (2024: RMB970,437,000) were pledged as collateral for the Group' loans and borrowings (note 27).

17. LEASES

The Group as a lessee

The Group has lease agreements for various leasehold land and office premises. Leases of leasehold land typically have lease terms of 25 years and office premises encompass lease terms of 1 to 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

17. LEASES (continued)

The Group as a lessee (continued)

(a) Right-of-use assets

	Leasehold land and office premises
	RMB'000
At 1 January 2024	127,197
Additions	14,792
Transfer from a disposal group formerly classified as held for sale	27,337
Depreciation (note 8)	(27,059)
Lease modification	(12,016)
Disposal of subsidiaries (note 32(c))	(12,739)
Exchange realignment	68
	<hr/>
At 31 December 2024 and 1 January 2025	117,580
Additions	6,565
Depreciation (note 8)	(17,828)
Disposals of subsidiaries (note 32(a))	(26)
Early termination of leases	(95,365)
Written-back of depreciation	57,677
Exchange realignment	(34)
	<hr/>
At 31 December 2025	<hr/> <hr/> 68,569

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

17. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	121,067	147,299
New leases	6,565	14,792
Accretion of interest recognised (note 7)	6,384	7,395
Lease modification	–	(13,024)
Lease payments	(26,507)	(25,958)
Disposal of subsidiaries	–	(14,546)
Transfer from a disposal group formerly classified as held for sale (note 12(a))	–	5,412
Early termination of leases	(54,174)	–
Exchange realignment	(135)	(303)
	<hr/>	<hr/>
At 31 December	53,200	121,067
	<hr/>	<hr/>
Analysed into:		
Current portion	5,301	24,459
Non-current portion	47,899	96,608
	<hr/>	<hr/>

The maturity analysis of lease liabilities is disclosed in note 35(b)(iv) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

17. LEASES (continued)

The Group as a lessee (continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities (note 7)	6,384	7,395
Depreciation of right-of-use assets (note 17(a))	17,828	27,059
Expense relating to short-term leases (note 8)	1,148	8,321
Gains arising from lease modifications (note 6)	–	(1,008)
Gain on early termination of leases (note 6)	(16,460)	–
	8,900	41,767

18. INTERESTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Share of net assets of associates, net of impairment	192,201	128,334

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

18. INTERESTS IN ASSOCIATES (continued)

Particulars of the Group's associates at the end of the reporting period are as follows:

Company name	Place of incorporation/ registration and business	Percentage of equity attributable to the Company		Principal activities
		2025	2024	
陝西億潤新能源科技有限公司 ⁽ⁱ⁾ ("Shaanxi Yirun")	PRC	40.00%	40.00%	Provision of solar power plant operation and maintenance services
江山寶源國際融資租賃有限公司 ("Kong Sun Baoyuan")	PRC	37.60%	37.60%	Provision of financial leasing and factoring services
蘇州中能鼎立科技有限公司 ⁽ⁱⁱ⁾ ("Suzhou Zhongneng")	PRC	10.00%	10.00%	Development of LNG trading platform
東台瀾晶光伏有限公司	PRC	36.79%	36.79%	Solar power generation and development
北京江山明輝新能源有限公司 ⁽ⁱⁱ⁾ ("Kong Sun Minghui")	PRC	15.00%	15.00%	Solar power generation and development
廣州啄木鳥數字科技有限公司 ⁽ⁱⁱⁱ⁾ ("Guangzhou Zhuomuniao")	PRC	–	33.54%	Provision of consulting services
北京思博慧醫科技有限公司 ^(iv) ("Beijing Sibo")	PRC	–	30.00%	Research and development of artificial intelligence medical robots
寶豐縣鑫泰光伏電力科技開發有限公司 ^(v) ("Baofeng Xintai")	PRC	50.00%	–	Solar power generation and development
北京福象環境科技有限公司 ^(vi) ("Beijing Fuxiang")	PRC	49.95%	–	Provision of environmental treatment solutions

Notes:

- (i) During the year ended 31 December 2024, the Group disposed of its 60% equity interest in Shaanxi Yirun. Consequently, effective from 17 April 2024, the entity was deconsolidated from the Group's consolidated financial statements. In accordance with HKFRS 10 *Consolidated Financial Statements* and HKAS 28 *Investments in Associates and Joint Ventures*, the Group accounts for its retained interest in Shaanxi Yirun as an associate under the equity method.
- (ii) As disclosed in note 3, the Group has determined that it has significant influence over Suzhou Zhongneng and Kong Sun Minghui, as defined under HKAS 28. This assessment is based on the Group's ability to participate in the entities' financial and operating policy decisions through its representation on the board of directors.
- (iii) During the year ended 31 December 2025, Guangzhou Zhuomuniao, in which the Group held 33.54% equity interest through its subsidiary 廣州寶乾互聯網小額貸款有限公司, was deregistered under the PRC law. Consequently, the Group ceased to recognise its interest in Guangzhou Zhuomuniao from the date of deregistration.
- (iv) During the year ended 31 December 2024, the Group, through Shenzhen Jiangtian Yongjian Technology Company Limited ("Jiangtian Yongjian"), a former subsidiary, acquired 30% equity interest in Beijing Sibo. During the year ended 31 December 2025, the Group disposed of its entire equity interest in Jiangtian Yongjian, resulting in the indirect disposal of the 30% interest in Beijing Sibo.
- (v) During the year ended 31 December 2022, the Group disposed of 50% of the equity interest in Baofeng Xintai, subject to the satisfaction of certain precedent conditions. As a result, Baofeng Xintai was deconsolidated from the Group's consolidated financial statements. Subsequently, on 1 July 2025, upon the settlement of the relevant conditions, Baofeng Xintai was recognised in the Group's consolidated financial statements as an associate, in accordance with HKAS 28.
- (vi) On 1 July 2025, the Group acquired 49.95% interest in Beijing Fuxiang, over which the Group has the ability to exert significant influence. Accordingly, the investment in Beijing Fuxiang is accounted for as an associate under equity method.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

18. INTERESTS IN ASSOCIATES (continued)

The following table illustrates the summarised financial information of Baofeng Xintai, Shaanxi Yirun and Kong Sun Baoyuan, which are considered as material associates by the management, and has been adjusted to reflect the fair values of identifiable assets and liabilities held by the Group and any differences in accounting policies are reconciled to the carrying amount in the consolidated financial statements.

	Baofeng Xintai		Shaanxi Yirun		Kong Sun Baoyuan	
	2025 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	
Current assets	390,829	115,704	112,721	291,179	346,693	
Non-current assets	442,723	2,525	2,138	82,939	84,086	
Current liabilities	(336,724)	(88,886)	(96,813)	(4,047)	(1,829)	
Non-current liabilities	(310,825)	-	-	(137,000)	(126,000)	
Net assets	186,003	29,343	18,046	233,071	302,950	
Reconciliation to the Group's interests in the associates:						
Proportion of the Group's ownership	50.00%	40.00%	40.00%	37.60%	37.60%	
Group's share of net assets of the associates	93,002	11,737	7,218	87,635	113,909	
Adjustment relating to loss of control of former subsidiaries	(9,917)	(2,205)	(2,205)	-	-	
Carrying amount of the investments	83,085	9,532	5,013	87,635	113,909	
Other disclosures:						
Revenue	83,484	200,244	181,288	1,467	11,324	
Profit/(loss) and total comprehensive income/(loss) for the year	16,169	11,297	5,533	(69,879)	(246,397)	
Share of the associates' profits/(losses) for the year	8,085	4,519	2,213	(26,274)	(92,645)	

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

18. INTERESTS IN ASSOCIATES (continued)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the associates' losses for the year	(177)	(873)
Aggregate carrying amount of the Group's interests in the associates	11,949	9,412

19. INTERESTS IN JOINT VENTURES

	2025 RMB'000	2024 RMB'000
Share of net assets of joint ventures, net of impairment	200,284	202,469

Particulars of the Group's joint ventures at the end of the reporting period are as follows:

Company name	Place of incorporation/ registration and business	Percentage of equity attributable to the Company		Principal activities
		2025	2024	
北京紅楓新能源合夥企業 (有限合夥) ("Beijing Hongfeng")	PRC	90.09%	90.09%	Investment holding
北京百數康科技有限公司	PRC	65%	65%	Provision of technical services
清濛陽光(成都)養老科技 有限公司	PRC	2.40%	2.40%	Investment management
新疆江山永恆新能源管理有限 責任公司	PRC	49%	49%	Energy management contract

The Group exercises joint control over these investments alongside its joint venture partners, as contractually stipulated in agreements requiring unanimous consent from all parties for decisions relating to the ventures' relevant activities. In accordance with HKFRS 11 *Joint Arrangements*, such arrangement is classified as a joint venture. Consistent with the requirements of HKFRS 11, the Group has accounted for its interests in the joint ventures using the equity method in the consolidated financial statements for the years ended 31 December 2024 and 2025.

The following table illustrates the summarised financial information of Beijing Hongfeng, which is considered as a material joint venture by the management and has been adjusted to reflect the fair values of identifiable assets and liabilities held by the Group and any differences in accounting policies are reconciled to the carrying amount in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

19. INTERESTS IN JOINT VENTURES (continued)

	Beijing Hongfeng 2025 RMB'000	2024 RMB'000
Current assets	2	1
Non-current assets	222,000	223,931
Current liabilities	(4)	(3)
Net assets of the joint venture	221,998	223,929
Reconciliation to the Group's interests in the joint venture:		
Proportion of the Group's ownership	90.09%	90.09%
Group's share of net assets of the joint venture	199,998	201,738
Carrying amount of the investment	199,998	201,738
Other disclosures:		
Revenue	–	–
Loss and total comprehensive loss for the year	(1,931)	(6,148)
Share of the joint venture's loss for the year	(1,740)	(5,539)

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the joint ventures' losses for the year	(445)	(1,520)
Aggregate carrying amount of the Group's interests in the joint ventures	286	731

20. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 RMB'000	2024 RMB'000
Unlisted investments, at fair value		
內蒙古呼和浩特金谷農村商業銀行股份有限公司 ("Jingu Bank") ⁽ⁱ⁾	–	142,194
錦州銀行股份有限公司 ("Bank of Jinzhou") ⁽ⁱⁱ⁾	–	114,796
台州久安股權投資合夥企業(有限合夥)	300,000	300,000
霍爾果斯鑫和優美股權投資合夥企業(有限合夥)	–	2,211
	300,000	559,211

As at 31 December 2025, no financial assets measured at fair value through other comprehensive income were pledged as collateral for the Group's loans and borrowings (2024: RMB256,990,000) (note 27).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

20. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

The above investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature. Details of the Group's fair value measurement of these financial assets are set out in note 35(c).

Note:

- (i) During the year ended 31 December 2025, the Group disposed of its entire interest in Jingu Bank. The fair value on the date of disposal amounted to approximately RMB142,194,000. The cumulative decrease in fair value of approximately RMB48,779,000 previously recognised in other comprehensive income was reclassified to accumulated losses.
- (ii) During the year ended 31 December 2025, the fair value of investment in Bank of Jinzhou was written down to zero. This write-down resulted from a combination of the following factors:
- The Company was unable to obtain published financial information of Bank of Jinzhou from public or private sources to assess the investment's market value; and
 - The restructuring and delisting of Bank of Jinzhou, together with the absence of liquidity and the diminished economic rights of equity holders, which heightened the uncertainty surrounding the investment.

21. INTANGIBLE ASSETS

	Trademarks RMB'000	Computer software RMB'000	Development cost RMB'000	Total RMB'000
Cost				
At 1 January 2024	10	2,128	8,501	10,639
Disposal of a subsidiary (note 12(b))	(10)	(2,128)	(8,501)	(10,639)
At 31 December 2024 and 1 January 2025	-	-	-	-
Additions	-	5,329	-	5,329
At 31 December 2025	-	5,329	-	5,329
Accumulated amortisation				
At 1 January 2024	-	-	-	-
Charge for the year	1	213	850	1,064
Disposal of a subsidiary (note 12(b))	(1)	(213)	(850)	(1,064)
At 31 December 2024 and 1 January 2025	-	-	-	-
Charge for the year	-	736	-	736
At 31 December 2025	-	736	-	736
Net carrying amount				
At 31 December 2024	-	-	-	-
At 31 December 2025	-	4,593	-	4,593

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

22. GOODWILL

	2025	2024
	RMB'000	RMB'000
At beginning of the year	-	-
Transfer from a disposal group formerly classified as held for sale (note 12(a))	-	547
Impairment for the year	-	(547)
	<hr/>	<hr/>
At end of the year	-	-

23. INVENTORIES

	2025	2024
	RMB'000	RMB'000
Solar power plants consumables	-	-
	<hr/>	<hr/>

As at 31 December 2025, approximately RMB195,000 impairment of inventories has been made (2024: RMB195,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

24. TRADE AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables		
– Receivable from sales of electricity ⁽ⁱ⁾	10,968	31,048
– Tariff adjustment receivables ⁽ⁱ⁾	1,188,257	1,134,694
– Loan receivables ⁽ⁱⁱ⁾	260,967	493,085
	1,460,192	1,658,827
Impairment of trade receivables	(46,292)	(132,439)
Trade receivables, net	1,413,900	1,526,388
Other receivables		
– Prepaid expenses	57,153	57,135
– Value-added-tax (“VAT”) receivables ⁽ⁱⁱⁱ⁾	6,259	7,509
– Consideration receivables in respect of disposal of subsidiaries ^(iv)	591,350	591,350
– Amounts due from disposed subsidiaries ^(iv)	316,922	201,431
– Security deposits ^(v)	43,572	34,372
– Amounts due from independent third parties ^(vi)	54,279	133,520
	1,069,535	1,025,317
Impairment of other receivables	(499,660)	(437,934)
Other receivables, net	569,875	587,383
Trade and other receivables, net	1,983,775	2,113,771
(Less:) amount shown under non-current assets:		
– Loan receivables, net	(131,657)	(4,078)
– Consideration receivables in respect of disposal of subsidiaries, net	–	(120,293)
	(131,657)	(124,371)
Amount shown under current assets	1,852,118	1,989,400

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

24. TRADE AND OTHER RECEIVABLES (continued)

An aging analysis of the trade receivables at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 3 months	237,875	145,151
3 to 6 months	55,936	78,811
6 to 12 months	66,555	142,030
12 to 24 months	154,560	315,844
Over 24 months	898,974	844,552
	1,413,900	1,526,388

The movements in the loss allowance for impairment of trade and other receivables are as follows:

	Trade receivables RMB'000	Other receivables RMB'000	Total RMB'000
At 1 January 2024	67,709	267,684	335,393
Impairment losses	117,180	170,250	287,430
Reversal of impairment losses	(26,029)	–	(26,029)
Write-off	(26,421)	–	(26,421)
At 31 December 2024 and 1 January 2025	132,439	437,934	570,372
Impairment losses	117,848	149,191	267,039
Reversal of impairment losses	(16,492)	–	(16,492)
Disposal of subsidiaries	(187,503)	(3,906)	(191,409)
Write-off	–	(83,559)	(83,558)
At 31 December 2025	46,292	499,660	545,952

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on historical credit loss experience for groupings of various customer segments with similar loss patterns (i.e., by customer type and profile). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

24. TRADE AND OTHER RECEIVABLES (continued)

Notes:

- (i) Trade receivables arise from sales of electricity, provision of solar power plant operation and maintenance services and financial services. These receivables are generally due within 30 to 180 days (2024: 30 to 180 days) from the date of billing, excluding tariff adjustment receivables.

Tariff adjustment receivables relate to PRC government subsidies for solar power plants, to be received from state-grid companies under electricity sale and purchase agreements and prevailing national policies.

As at 31 December 2025, certain trade and tariff adjustment receivables arising from electricity sales, amounting to approximately RMB677,955,000 (2024: RMB675,335,000), were pledged as collateral for the Group's loans and borrowings (note 27).

- (ii) The composition of loan receivables is as follows

	2025 RMB'000	2024 RMB'000
Credit loans	260,967	465,490
Guaranteed loans	-	6,158
Collateral-backed loans	-	21,437
	260,967	493,085

Repayment periods range as follows:

- Credit loans and guaranteed loans: 3-36 months (2024: 6-36 months)
- Collateral backed loans: Nil (2024: 6-36 months)

All loans are denominated in RMB and carry effective annual interest rates of:

- Credit loans and guaranteed loans: 19.5% – 24.0% (2024: 6.0%-24.0%)
- Collateral backed loans: Nil (2024: 9.0%)

- (iii) This amount represents VAT paid by the Group in connection with the construction of solar power plants, which is expected to be utilised to offset future VAT payables arising from electricity sales.
- (iv) These amounts represent outstanding balances from the disposal of subsidiaries in prior years, arising under equity transfer agreements. The balances are unsecured, interest-free, and repayable in accordance with the settlement terms stipulated in the respective agreements. Management expects full settlement within 12 months after the reporting period.
- (v) The Group has placed deposits in accounts held by independent leasing companies. Under the terms of the leasing agreements, the Group has granted these companies the right to offset the full amount of the security deposits against outstanding borrowings owed by the Group to them.
- (vi) All amounts are unsecured, interest-free, and repayable on demand, except in 2024, RMB100,000,000 was secured by collateral provided by an independent third party, bearing interest at 8% per annum with fixed repayment terms.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

25. CASH AND CASH EQUIVALENTS

	2025 RMB'000	2024 RMB'000
Cash and bank balances	87,617	94,961
Less: restricted cash	(19,078)	(18,256)
Cash and cash equivalents	68,539	76,705

Restricted cash primarily represents cash and cash equivalents with externally imposed usage restrictions arising from ongoing legal proceedings, including court-mandated escrow arrangements. These restrictions are imposed pursuant to litigation settlements or judicial orders and prevent the Group from utilising these funds for general operational purposes.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately RMB87,453,000 (2024: RMB87,920,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

26. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	55,010	78,422
Accruals and other payables	548,505	391,897
	603,515	470,319

Aging analysis of trade payables, based on invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 3 months	3,948	4,167
3-6 months	72	1,041
6-12 months	175	1,638
Over 12 months	50,815	71,576
	55,010	78,422

Trade and other payables are non-interest bearing and are expected to be settled within one year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

27. LOANS AND BORROWINGS

	2025 RMB'000	2024 RMB'000
Current, secured		
– Bank loans	237,250	247,750
– Other borrowings	724,864	719,633
	962,114	967,383
Non-current, secured		
– Bank loans	–	100,490
– Other borrowings	678,138	746,171
	678,138	846,661
	1,640,252	1,814,044

The Group's loans and borrowing are repayable as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	962,114	967,383
After 1 year but within 2 years	64,062	158,402
After 2 year but within 5 years	206,006	196,262
Over 5 years	408,070	491,997
	1,640,252	1,814,044

An analysis of the Group's fixed rate and floating rate borrowings are as follows:

	2025 RMB'000	2024 RMB'000
Fixed-rate borrowings	978,117	1,044,260
Floating-rate borrowings	662,135	769,784
	1,640,252	1,814,044

Loans and other borrowings bear interests ranging from 4.00% to 8.31% (2024: 5.45% to 8.31%) per annum.

The loans and borrowings were secured by the following assets:

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

27. LOANS AND BORROWINGS (continued)

	2025	2024
	RMB'000	RMB'000
Solar power plants (note 16)	918,142	970,437
Trade receivables (note 24)	677,955	675,335
Unlisted equity investments, at fair value (note 20)	–	256,990
	1,596,097	1,902,762

In addition to the above assets, as at 31 December 2025, borrowings amounted to approximately RMB679,810,000 (2024: RMB679,810,000) were secured by equity interests in subsidiaries of the Company.

28. CORPORATE BONDS

	2025	2024
	RMB'000	RMB'000
At beginning of the year	8,334	16,328
Imputed interest expense (note 7)	412	411
Interest paid/payable	(412)	(411)
Repayment	–	(9,128)
Exchange realignment	(205)	1,134
	8,129	8,334
<i>Analysed into:</i>		
Current portion	8,129	–
Non-current portion	–	8,334
	8,129	8,334

As at 31 December 2025, corporate bonds denominated in Hong Kong Dollars (“HK\$”) with an aggregate principal amount of HK\$9,000,000 (equivalent to approximately RMB8,129,000) (2024: HK\$9,000,000 (equivalent to approximately RMB8,334,000)) remained outstanding with independent third parties. These bonds bear fixed interest rates ranging from 3% to 6% per annum (2024: 3% to 6% per annum) and will mature on the date immediately following 96 months (2024: 96 months) after their issuance.

During the year ended 31 December 2025, the Group did not repay any corporate bonds (2024: HK\$10,000,000 (equivalent to approximately RMB9,128,000)).

The corporate bonds are measured at amortised cost using the effective interest method, applying an effective interest rate of 10.40% per annum (2024: 10.40% per annum). Imputed interest expense of HK\$450,000 (equivalent to approximately RMB412,000) was recognised in the consolidated statement of profit or loss for the year (2024: HK\$450,000 (equivalent to approximately RMB411,000)).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

29. DEFERRED TAX

The movements in deferred tax assets during the year are as follows:

	Impairment of assets RMB'000
At 1 January 2024, 31 December 2024 and 1 January 2025	12,164
Charged to profit or loss (note 11)	(5,581)
Disposal of a subsidiary (note 32(a))	(5,383)
	<hr/>
At 31 December 2025	1,200

No deferred tax was recognised for the year ended 31 December 2025 since the directors are of the opinion that there is no sufficient convincing evidence which would make it probable to utilise such deferred tax assets in the foreseeable future.

No deferred tax asset has been recognised in respect of unused tax losses incurred by the Group's Hong Kong and Chinese Mainland subsidiaries, as there is insufficient certainty regarding the availability of future taxable profits against which these losses may be utilised. As of the reporting date, the unrecognised tax losses amount to approximately RMB1,610,019,000 (2024: RMB1,547,083,000).

Under Chinese Mainland tax regulations, tax losses incurred by the Group's Chinese Mainland subsidiaries may be carried forward for five years from the fiscal year in which the losses arose. For subsidiaries operating in Hong Kong, tax losses may be carried forward indefinitely, subject to compliance with the relevant provisions under the Hong Kong Inland Revenue Ordinance.

30. SHARE CAPITAL

	2025 RMB'000	2024 RMB'000
Issued and fully paid: 14,964,442,000 (2024: 14,964,442,000) ordinary shares	6,486,588	6,486,588
	<hr/>	<hr/>

There was no movement in the Company's issued share capital during the year (2024: Nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

31. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 125 of the financial statements.

(a) Statutory reserves

In accordance with the relevant regulations of PRC, the Company's subsidiaries established in the Chinese Mainland are required to appropriate 10% of their profit after taxation (as determined under PRC accounting standards, after offsetting prior-year accumulated losses) to the statutory surplus reserve until the reserve balance reaches 50% of the subsidiary's registered capital. Such appropriations are mandatory and must be made prior to any distribution of profits to the parent company.

The statutory surplus reserve may be utilised, subject to approval by the relevant PRC authorities, to offset accumulated losses or to increase the subsidiary's registered capital, provided that the balance of the reserve after such utilisation is not less than 25% of the subsidiary's registered capital.

In addition, certain subsidiaries established in the Chinese Mainland are required to establish a safety fund reserve in accordance with the Administrative Measures for the *Extraction and Use of Enterprise Safety Production Expenses* (企業安全生產費用提取和使用管理辦法) jointly issued by the Ministry of Finance and the State Administration of Work Safety. Under these regulations, enterprises engaged in specific industries (e.g. mining, construction and hazardous chemicals) must accrue safety production expenses based on prescribed rates applied to relevant production metrics. The reserve is restricted for use in safety-related expenditures and is not available for profit distribution. Unutilised balances are carried forward to future periods.

(b) Exchange fluctuation reserve

The exchange fluctuation reserve comprises cumulative foreign exchange differences arising from the translation of financial statements of the Group's foreign operations outside the Chinese Mainland. These differences are recognised in other comprehensive income and accounted for in accordance with the Group's accounting policies for foreign currency translation, as detailed in note 2.4.

(c) Fair value reserve of financial instruments measured at FVTOCI

The fair value reserve of financial instruments measured at FVTOCI represents the cumulative net changes in the fair value of financial instruments measured at fair value through other comprehensive income. These changes are recognised directly in equity and are not reclassified to profit or loss in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

32. DISPOSAL OF SUBSIDIARIES

- (a) During the year ended 31 December 2025, the Group disposed of its entire equity interests in the following principal subsidiaries, which were principally engaged in investment holding and micro financial business, for an aggregate adjusted cash consideration of RMB4,620,000.

Name of entities	Disposal date
北京四海盈辰投資有限責任公司 Beijing Sihai Yingchen Investment Co., Ltd.	7 November 2025
遷安市瑞浩企業管理有限公司 (formerly know as 遷安市瑞平投資有限公司) Qian'an Ruihao Enterprise Management Co., Ltd.	7 November 2025
北京潤豐源大信息技術有限公司 (formerly know as 北京潤豐元大小額貸款有限公司) Beijing Runfengyuan Big Information Technology Co., Ltd.	7 November 2025

Information about the gain on disposal is as follows:

	RMB'000
Total consideration	4,620
Property, plant and equipment (note 15)	273
Right-of-use assets (note 17(a))	26
Trade and other receivables	47,228
Deferred tax assets (note 29)	5,383
Cash and cash equivalents	104
Trade and other payables	(94,865)
Net liabilities disposed of	(41,851)
Net gain on disposal	46,471

An analysis of net cash flows in respect of the disposal is as follows:

	RMB'000
Total consideration	4,620
Less: cash and cash equivalents disposed of	(104)
Net cash inflow	4,516

Other disposals of subsidiaries during the year that are not individually material resulted in an aggregate loss on disposal of subsidiaries of approximately RMB117,000.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

32. DISPOSAL OF SUBSIDIARIES (continued)

- (b) During the year ended 31 December 2024, the Group disposed its interests in Beijing Eagle Eye, details of which are set out in note 12(b) to the consolidated financial statements.
- (c) In addition, the Group completed the disposal of 60% interests in Shaanxi Yirun, the immediate holding company of 北京鑫泰綠能科技有限公司 (Beijing Xintai Green Energy Technology Co., Ltd.)*(Beijing Xintai). Therefore, effective from 17 April 2024, Shaanxi Yirun was accounted for as an associate of the Group, details of which are disclosed in note 18 to the financial statements, and Beijing Xintai was de-consolidated from the Group's consolidated financial statements.

Further details of the disposal are disclosed in the Company's announcement dated 29 January 2024 and the Company's circular dated 20 March 2024.

Information about the loss on disposal is as follows:

	RMB'000
Total consideration	4,200
Property, plant and equipment	12,577
Trade and other receivables	77,323
Cash and cash equivalents	6,857
Other payables and accruals	(84,245)
	<hr/>
Net assets disposed of	12,512
Transfer to interest in associates	(2,800)
	<hr/>
Net loss on disposal	(5,512)

An analysis of the net cash flows in respect of the disposal is as follows:

	RMB'000
Total consideration	4,200
Less: cash and cash equivalents disposed of	(6,857)
	<hr/>
Net cash outflow	(2,657)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Loans and other borrowings RMB'000 (note 27)	Interest payables for loans and other borrowings within "Other payables" RMB'000	Corporate bonds RMB'000 (note 28)	Lease liabilities RMB'000 (note 17(b))	Total RMB'000
At 1 January 2025	1,814,044	265,362	8,334	121,067	2,208,807
Changes from financing cash flows:					
Repayments of loans and borrowings	(173,792)	–	–	–	(173,792)
Repayment of lease principal	–	–	–	(20,123)	(20,123)
Interest paid	–	(91,118)	(412)	(6,384)	(97,914)
Total changes from financing cash flows	(173,792)	(91,118)	(412)	(26,507)	(291,829)
Exchange realignment	–	–	(205)	(135)	(340)
Non-cash changes:					
New leases	–	–	–	6,565	6,565
Early termination of lease	–	–	–	(54,174)	(54,174)
Accrued interest expenses	–	91,118	–	6,384	97,502
Imputed interest expenses	–	–	412	–	412
Total non-cash changes	–	91,118	207	(41,360)	49,965
At 31 December 2025	1,640,252	265,362	8,129	53,200	1,966,943

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

(continued)

	Loans and other borrowings RMB'000 (note 27)	Interest payables for loans and other borrowings within "Other payables" RMB'000	Corporate bonds RMB'000 (note 28)	Lease liabilities RMB'000 (note 17(b))	Total RMB'000
At 1 January 2024	1,659,216	240,563	16,328	147,299	2,063,406
Changes from financing cash flows:					
Proceeds from new loans and borrowings	283,180	–	–	–	283,180
Repayments of loans and borrowings	(315,787)	–	–	–	(315,787)
Repayment of lease principal	–	–	–	(18,563)	(18,563)
Interest paid	–	(65,465)	(411)	(7,395)	(73,271)
Total changes from financing cash flows	(32,607)	(65,465)	(411)	(25,958)	(124,441)
Exchange realignment	–	–	1,134	(993)	141
Non-cash changes:					
Disposals of subsidiaries (note 32(b))	–	–	–	(14,546)	(14,546)
Transfer from a disposal group formerly held for sale	187,435	–	–	5,412	192,847
New leases	–	–	–	14,792	14,792
Lease modifications	–	–	–	(13,024)	(13,024)
Accrued interest expenses	–	89,976	–	7,395	97,371
Repayments of corporate bonds	–	–	(9,128)	–	(9,128)
Imputed interest expenses	–	–	411	–	411
Total non-cash changes	187,435	89,976	(8,717)	29	269,011
At 31 December 2024	1,814,044	265,362	8,334	121,067	2,208,807

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

34. RELATED PARTY DISCLOSURES

Save as disclosed elsewhere in these financial statements, during the year, the Group entered into the following transactions with related parties:

(a) Loans to an associate

	2025 RMB'000	2024 RMB'000
Loans to an associate, net		
Current portion	120,885	118,129
Non-current portion	10,900	5,906
	131,785	124,035

The Group entered into unsecured, interest-bearing loan agreements with an associate, Kong Sun Baoyuan, on 1 November 2022 ("Loan 1"), 11 January 2023 ("Loan 2") and 10 February 2025 ("Loan 3"), each with a three-year term. Loan 1 and loan 2 were subsequently repaid in March 2026. Loan 1 and Loan 2 are secured and interest-bearing at 9.0% per annum. Loan 3 is unsecured and interest bearing at 8.5% per annum. The loan interest income recognised during the financial year amounted to approximately RMB11,422,000 (2024: RMB10,698,000).

These transactions fall under related party arrangements, and the terms were negotiated on an arm's-length basis. The loans mature on 1 November 2025, 11 January 2026 and 10 February 2028, respectively.

Further details regarding the Group's credit risk management policies, including the credit risk exposure and impairment assessment specific to loans to associates, are disclosed in note 35(b)(i)(v).

(b) Loans to a joint venture

During the year ended 31 December 2024, the Group entered into unsecured, interest-bearing loan agreements with a joint venture, Beijing Bai Shu Kang, on 2 August 2024 and 17 December 2024. The loans are unsecured and interest bearing at 9.0% per annum.

As at 31 December 2025, the amount of loans to a joint venture is approximately RMB433,000 (2024: RMB598,000). These transactions fall under related party arrangements, and the terms were negotiated on an arm's-length basis.

Further details regarding the Group's credit risk management policies, including the credit risk exposure and impairment assessment specific to loans to associates, are disclosed in note 35(b)(i)(vi).

(c) Remuneration for key management personnel

The remuneration for key management personnel, including directors and the five highest paid individuals is disclosed in notes 9 and 10 respectively.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

(a) Summary of financial assets and financial liabilities by category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	2025 RMB'000	2024 RMB'000
Financial assets		
<i>At fair value:</i>		
– Financial assets measured at FVTOCI	300,000	559,211
<i>At amortised cost:</i>		
– Trade and other receivables	1,920,363	2,049,127
– Loans to an associate	131,785	124,035
– Loans to a joint venture	433	598
– Restricted cash	19,078	18,256
– Cash and cash equivalents	68,539	76,705
	2,440,198	2,827,932
Financial liabilities		
<i>At amortised cost:</i>		
– Trade and other payables	587,556	459,299
– Loans and borrowings	1,640,252	1,814,044
– Corporate bonds	8,129	8,334
– Lease liabilities	53,200	121,067
	2,289,137	2,402,744

(b) Financial risk management objectives and policies

The Group is exposed, in the normal course of business, to market risks, including credit risk, interest rate risk, currency risk and liquidity risk. The group has not established formal written risk management policies and guideline. However, the directors review the Group's risk exposures on a periodic basis and implement appropriate measures to manage such exposures.

The Group adopts a prudent and conservative approach to risk management. Given that the Group's exposure to market risks is assessed to be low, no derivative financial instruments are used for hedging purposes, nor are such instruments held or issued for trading purposes. The principal financial risks to which the Group is exposed are set out below.

(i) Credit risk

Credit risk represents the risk that a counterparty to a financial instrument will fail to discharge its contractual obligations, resulting in a financial loss to the Group. The Group's exposure to credit risk primarily arises from credit extended to customers in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

(b) Financial risk management objectives and policies *(continued)*

(i) **Credit risk** *(continued)*

The Group monitors credit risk exposures on an ongoing basis, both at an individual counterparty level and on a portfolio basis. Where practicable and cost-effective, external credit ratings and other relevant information are obtained and considered. The Group's policy is to transact only with creditworthy counterparties, and such policy has been consistently applied in prior years.

The Group measures loss allowances for trade and other receivables at an amount equal to lifetime ECLs, using a provision matrix. Based on historical credit loss experience, no materially different loss patterns are observed among customers with the same segment; accordingly, loss allowances are not further stratified with each segment.

The Group's financial assets subject to the ECL model are as follows:

- (i) Trade and tariff adjustment receivables arising from the sale of electricity
Trade and tariff adjustment receivables arise from the sale of electricity and are primarily due from state-grid companies. Tariff adjustment receivables are settled in accordance with prevailing government policies and established payment practices of the Minister of Finance. As at 31 December 2025, 11 (2024: 10 out of 11) of the Group's solar power plants eligible for tariff adjustment receivables were successfully registered in the Renewable Energy Tariff Subsidy Catalogue.

Pursuant to the relevant government notices, including Caijian [2023] No. 118, subsidy funds for renewable energy tariff surcharges are centrally administered, with the PRC government responsible for fund collection and allocation to state-grid companies. Such companies are required to apply the funds strictly for settlement of outstanding balances due to power generation enterprises.

In view of the established settlement tract record and strong policy support, the directors consider that trade receivables, including tariff adjustment receivables, arising from the sale of electricity, are subject to minimal credit risk. Accordingly, no loss allowance was recognised as at 31 December 2025 (2024: Nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

(b) Financial risk management objectives and policies (continued)

(i) Credit risk (continued)

(ii) Loan receivables arising from provision of financial services

The Group adopts an internal credit rating system (the “Five-tier Principle”) to assess the credit quality of loan receivables and to determine the basis for recognising ECLs. The classification is based on days past due and qualitative assessment of the borrower’s repayment capacity.

Internal credit rating	Days past due	Description	Basis for recognising ECL
Normal	0 – 30 days	Borrowers are assessed to have a Low risk of default with no significant deterioration in credit quality and a strong capacity to meet contractual repayment obligations.	12 month ECL (stage 1)
Special-mention	31 – 90 days	Borrowers exhibit a significant increase in credit risk since initial recognition; however, exposures are not considered credit-impaired and borrowers remain capable of servicing their obligations.	Lifetime ECL – not credit-impaired (stage 2)
Substandard	91 – 180 days	Borrowers’ repayment capacity has weekend, and there are indicators of credit impairment; repayment may rely on factors beyond normal operating cash flows.	Lifetime ECL – credit-impaired (stage 3)
Doubtful	More than 180 days	Borrowers are unlikely to fully repay principal and interest; significant losses are expected even after realization of collateral or guarantees.	Lifetime ECL – credit-impaired (stage 3)
Loss	N/A	Loans are assessed as uncollectible, or only minimal recovery is expected after all practicable recovery actions have been taken.	Written off (stage 3)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

(b) Financial risk management objectives and policies (continued)

(i) Credit risk (continued)

(ii) Loan receivables arising from provision of financial services (continued)

The table below sets out the credit quality of the Group's loan receivables and the corresponding maximum exposure to credit risk, analysed by internal credit rating grades and stage classification as at the end of the reporting period.

	As at 31 December 2025			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	
Internal rating grades				
Normal	219,475	–	–	219,475
Special-mention	–	493	–	493
Substandard	–	–	15,370	15,370
Doubtful	–	–	25,507	25,507
Loss	–	–	122	122
Total	219,475	493	40,999	260,967

	As at 31 December 2024			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	
Internal rating grades				
Normal	334,478	–	–	334,478
Special-mention	–	743	–	743
Substandard	–	–	3,091	3,091
Doubtful	–	–	135,906	135,906
Loss	–	–	18,867	18,867
Total	334,478	743	157,864	493,085

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

(b) Financial risk management objectives and policies (continued)

(i) Credit risk (continued)

(ii) Loan receivables arising from provision of financial services (continued)

The table below presents the movements in the gross carrying amounts of loan receivables by stage classification during the year.

	For the year ended 31 December 2025			Total RMB'000
	Stage 1 (12-month ECLs) Collectively assessed exposures RMB'000	Stage 2 (Lifetime ECLs-not credit- impaired) Collectively assessed exposures RMB'000	Stage 3 (Lifetime ECLs- credit- impaired) Collectively assessed exposures RMB'000	
As at 1 January 2025	334,478	743	157,864	493,085
Addition	157,065	–	–	157,065
Repayment	(230,576)	(743)	(157,864)	(389,183)
Transfer to Stage 2	(10,494)	10,494	–	–
Transfer to Stage 3	(41,056)	–	41,056	–
As at 31 December 2025	209,417	10,494	41,056	260,967

	For the year ended 31 December 2024			Total RMB'000
	Stage 1 (12-month ECLs) Collectively assessed exposures RMB'000	Stage 2 (Lifetime ECLs-not credit- impaired) Collectively assessed exposures RMB'000	Stage 3 (Lifetime ECLs- credit- impaired) Collectively assessed exposures RMB'000	
As at 1 January 2024	550,664	40,380	90,565	681,609
Addition	341,050	–	–	341,050
Repayment	(410,725)	(113,028)	(5,821)	(529,574)
Transfer to Stage 2	(73,391)	73,391	–	–
Transfer to Stage 3	(73,120)	–	73,120	–
As at 31 December 2024	334,478	743	157,864	493,085

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

(b) Financial risk management objectives and policies (continued)

(i) Credit risk (continued)

(ii) Loan receivables arising from provision of financial services (continued)

The table below presents the movements in loss allowances for loan receivables by stage classification during the year.

	For the year ended 31 December 2025			
	Stage 1 (12-month ECLs) Collectively assessed exposures RMB'000	Stage 2 (Lifetime ECLs-not credit- impaired) Collectively assessed exposures RMB'000	Stage 3 (Lifetime ECLs- credit- impaired) Collectively assessed exposures RMB'000	Total RMB'000
As at 1 January 2025	27,890	2,301	83,961	114,152
Impairment loss recognised	126,717	–	–	126,717
Impairment loss reversed	(108,315)	(2,301)	(83,961)	(194,577)
Transfer to Stage 2	(1,694)	1,694	–	–
Transfer to Stage 3	(26,382)	–	26,382	–
As at 31 December 2025	18,216	1,694	26,382	46,292

	For the year ended 31 December 2024			
	Stage 1 (12-month ECLs) Collectively assessed exposures RMB'000	Stage 2 (Lifetime ECLs-not credit- impaired) Collectively assessed exposures RMB'000	Stage 3 (Lifetime ECLs- credit- impaired) Collectively assessed exposures RMB'000	Total RMB'000
As at 1 January 2024	22,209	1,212	41,963	65,384
Charge	9,656	–	80,291	89,947
Reversal	(175)	(1,212)	(24,642)	(26,029)
Transfer to Stage 2	(2,301)	2,301	–	–
Transfer to Stage 3	(1,499)	–	1,499	–
Written off	–	–	(26,421)	(26,421)
Net re-measurement of ECLs arising from transfer of stages	–	–	11,271	11,271
As at 31 December 2024	27,890	2,301	83,961	114,152

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

(b) Financial risk management objectives and policies *(continued)*

(i) Credit risk *(continued)*

(iii) Other receivables

Impairment losses on other receivables are measured at either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

For consideration receivables arising from disposal of subsidiaries and amounts due from disposed subsidiaries, management performs periodic impairment assessments. In evaluating credit risk, management considers factors including the financial position of the counterparties, industry conditions, recent operating performance and forward-looking information available without due cost or effort. As these counterparties are primarily engaged in the solar power industry, where major assets comprise tariff adjustment receivables supported by government policies, the associated credit risk is considered limited. Accordingly, loss allowances are measured at 12-month ECLs. As at 31 December 2025, the group recognised a net carrying amount of approximately RMB496,433,000 (2024: RMB476,882,000), after recognizing a net impairment loss of approximately RMB97,725,000 (2024: RMB203,767,000) in profit or loss for the year.

Certain long-aged balances due from independent third parties, with an aggregated gross carrying amount of approximately RMB54,279,000 (2024: RMB133,520,000), are assessed individually. These balances are considered to have experienced a significant increase in credit risk and are therefore measured at lifetime ECLs. In assessing expected losses, management considers the financial position of counterparties, industry conditions, estimated fair value of pledged assets, recent operating results and forward-looking information. As at 31 December 2025, the Group recognised a net carrying amount of approximately RMB17,620,000 (2024: RMB39,375,000), after recognizing a net impairment loss of approximately RMB18,545,000 (2024: RMB5,100,000) in profit or loss for the year.

(iv) Loans to an associate

The directors perform periodic individual assessments on the recoverability of loans to an associate, taking into account historical settlement records, past experience, and relevant quantitative and qualitative information, including forward-looking information that is available without undue cost or effort.

The directors consider that there has not been a significant increase in credit risk since initial recognition. Accordingly, impairment is measured based on 12-month ECLs.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

(b) Financial risk management objectives and policies (continued)

(i) Credit risk (continued)

(iv) Loans to an associate (continued)

	2025	2024
	RMB'000	RMB'000
Gross carrying of loans to an associate		
– Non-current	11,000	120,000
– Current	126,000	6,000
	137,000	126,000
Provision for impairment of loans to an associate		
– Non-current	(100)	(1,871)
– Current	(5,115)	(94)
	(5,215)	(1,965)

(v) Loans to a joint venture

For the year ended 31 December 2025, the Group assessed the ECL for loans to a joint venture as insignificant and a loss allowance of approximately RMB165,000 was recognised (2024: RMB2,000).

(vi) Cash and cash equivalents

Credit risk on bank balances and pledged deposits is limited as the counterparties are reputable financial institutions with high credit ratings assigned by international credit rating agencies.

The Group measures ECLs on bank balances and pledged deposits based on 12-month ECLs, with reference to the probability of default and loss given default associated with the respective credit ratings. For the years ended 31 December 2025 and 2024, the Group assessed the ECLs to be insignificant and, accordingly, no loss allowance was recognised.

(ii) Interest rate risk

The Group's exposure to interest rate risk arises primarily from loans and borrowing bearing floating interest rates.

The Group does not expect a significant impact on bank balances, as deposit interest rates are not anticipated to fluctuate materially.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(continued)*

(b) Financial risk management objectives and policies *(continued)*

(ii) Interest rate risk *(continued)*

The Group regularly reviews and monitors the mix of fixed and floating rate borrowings to manage its exposure to interest rate risk. Management did not consider it necessary to use interest rate derivatives, such as interest rate swaps, to hedge this exposure during the years ended 31 December 2025 and 2024.

The sensitivity analysis below assumes that financial instruments outstanding at the end of the reporting period were outstanding throughout the year. As at 31 December 2025, if interest rates on loans and borrowing had increased/decreased by 50 (2024: 50) basis points, the Group's loss before income tax would have increased/decreased by approximately RMB4,975,000 (2024: RMB3,849,000).

(iii) Currency risk

The Group's principal operations are conducted in the Chinese Mainland. Revenue and costs are predominantly denominated in RMB, which is also the presentation currency of the Group.

Exposure to foreign currency risk mainly arises from cash and bank balances denominated in Hong Kong dollars. The directors consider such exposure to be insignificant.

The Group does not currently use derivative financial instruments to hedge foreign currency risk. Management will continue to monitor foreign exchange exposure and take appropriate measures to mitigate risk where necessary.

(iv) Liquidity risk

The Group's objective is to maintain sufficient liquidity and financial flexibility through use of diversified funding sources, with maturities appropriately staggered to avoid undue concentration of repayment obligations in any particular period.

The Company is responsible for the Group's overall cash management and financing activities. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that sufficient cash reserves and adequate committed funding lines are maintained to meet both short-term and long-term obligations.

The Group also manages the proportion of current liabilities relative to total liabilities to mitigate short-term liquidity risk. The directors are satisfied that the Group has adequate resources to meet its working capital and capital expenditure requirements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

(b) Financial risk management objectives and policies (continued)

(iv) Liquidity risk (continued)

The table below sets out the contractual maturities of the Group's non-derivative financial liabilities, based on undiscounted cash flows (including interest payments calculated using contractual rates or, where applicable, rates prevailing at the reporting date), and presented based on the earliest date on which the Group can be required to settle the liabilities.

	Carrying amount	Total contractual undiscounted cash flows	On demand or within 1 year	1-2 years	2-5 years	Over 5 years
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2025						
Trade and other payable	587,556	587,556	587,556	-	-	-
Corporate bonds	8,129	8,846	8,846	-	-	-
Lease liabilities	53,200	74,209	9,711	5,321	8,875	50,302
Loans and borrowings						
– Floating rates	662,135	865,592	71,194	87,676	256,004	450,718
– Fixed rates	978,117	1,019,592	954,496	10,849	32,548	21,699
	2,289,137	2,555,795	1,631,803	103,846	297,427	522,719

	Carrying amount	Total contractual undiscounted cash flows	On demand or within 1 year	1-2 years	2-5 years	Over 5 years
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2024						
Trade and other payable	459,299	459,299	459,299	-	-	-
Corporate bonds	8,334	9,036	411	8,625	-	-
Lease liabilities	121,067	157,950	24,653	22,873	51,736	58,688
Loans and borrowings						
– Floating rates	769,784	1,086,027	937,049	17,489	52,466	79,023
– Fixed rates	1,044,260	906,737	55,599	172,984	218,501	459,653
	2,402,744	2,619,049	1,477,011	221,971	322,703	597,364

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

35. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (continued)

(c) Fair value measurement of financial instruments

Certain of the Group's financial instruments are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating fair value, the Group maximises the use of observable market data. Where Level 1 inputs are not available, independent qualified professional valuers are engaged for material valuations. Management works closely with the valuers to determine appropriate valuation methodologies and key assumptions, and report the valuation results to the directors on a regular basis.

The Group's financial assets measured at fair value are classified as Level 3 in the fair value hierarchy, as the inputs used are not based on observable market data.

The valuation of these financial assets is based on significant unobservable inputs, including discount rates and discounts for lack of marketability, using valuation techniques such as the market approach and income approach.

The following table presents the valuation techniques and key unobservable inputs used in measuring the fair value of financial assets classified within Level 3 of the fair value hierarchy.

Financial assets measured at fair value through other comprehensive income	Valuation technique	Key unobservable inputs	Sensitivity of fair value to the changes in
Unlisted partnership investments in 台州久安股權投資合夥企業 (有限合夥)	Asset approach combined with discounted cash flow method	Discount rate: N/A (2024: 8%)	Had the discount rate increased/(decreased) by 1%, the fair value would have (decreased)/increased by approximately RMB607,000 in 2024
Unlisted equity investments in 內蒙古呼和浩特金谷農村商業銀行股份有限公司	Market approach	Discount for lack of marketability: N/A (2024: 20.4%)	Had the discount rate increased/(decreased) by 5%, the fair value would have (decreased)/increased by approximately RMB8,930,000 in 2024
Unlisted equity investments in 錦州銀行股份有限公司	Market approach	Discount for lack of marketability: N/A (2024: 20.4%)	Had the discount rate increased/(decreased) by 5%, the fair value would have (decreased)/increased by approximately RMB7,210,000 in 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

36. COMMITMENTS

As at the end of the reporting period, the Group had the following capital commitments outstanding:

	2025 RMB'000	2024 RMB'000
Contracted but not provided for: Construction costs and service expense for solar power plants under development	41,080	42,539

37. CONTINGENT LIABILITIES

- (a) A principal subsidiary of the Company, Guangzhou Baoqian, conducts online micro-lending facilitation and joint lending business in the Chinese Mainland through cooperation with third-party funding institutions.

Under the loan facilitation arrangements, Guangzhou Baoqian provides borrower sourcing, credit assessment and loan servicing services, while the funding institutions independently approve and disburse loans to borrowers. Pursuant to the cooperation agreements, Guangzhou Baoqian may be required to share certain credit losses or provide compensation to the funding institutions in the event of borrower default.

Under the joint lending arrangements, Guangzhou Baoqian and its funding partners jointly provide loans to borrowers, with each party contributing an agreed proportion of the loan principal. Certain agreements also contain contractual provisions requiring Guangzhou Baoqian to compensate funding partners for repayment shortfalls or to purchase delinquent loan assets upon the occurrence of specified trigger events.

As at 31 December 2025, the above obligations are conditional upon the occurrence of borrower default or other contractual trigger events. Accordingly, the directors consider that these arrangements represent possible obligations under HKAS 37 Provisions, Contingent Liabilities and Contingent Assets. No provision has been recognised in the consolidated financial statements as the relevant trigger events had not occurred as at the reporting date.

- (b) The Group acquired equity interests of certain subsidiaries principally engaged in the development of solar power plant projects and the applications for the development of these solar power plant projects were actually made by their former shareholders. According to certain notices (the "Notices") issued by the State Energy Administration (國家能源局), the Notices prohibit the original applicants who have obtained the approval documents from the government authorities for the solar power plants projects from transferring the equity interests of solar power plant projects before such solar power plants were connected to the power grid. Therefore, these subsidiaries may be subject to fines or other adverse consequences imposed by the relevant PRC government authorities in the future. The relevant PRC government authorities are currently conducting nationwide inspections on matters such as compliance of equity transfer of solar power plants and full grid-connected power generation time. The Group will actively cooperate with the relevant PRC government authorities in inspections if necessary and assess the impact of the inspection results on the development of the Group's solar power plants in a timely manner.

Save as disclosed above, as at 31 December 2024 and 2025, the Group has no other significant contingent liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

38. THE COMPANY'S STATEMENT OF FINANCIAL POSITION

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Interests in subsidiaries		–	–
Right-of-use assets		789	2,102
Total non-current assets		789	2,102
Current assets			
Other receivables		1,939	4,962
Amounts due from subsidiaries		2,177,865	2,741,335
Cash and cash equivalents		114	4,396
Total current assets		2,179,918	2,750,693
Current liabilities			
Trade and other payables		13,586	3,138
Amounts due to subsidiaries		394,030	407,103
Lease liabilities		837	1,315
Corporate bonds	28	8,129	–
Total current liabilities		416,582	411,556
Net current assets		1,763,336	2,339,137
Total assets less current liabilities		1,764,125	2,341,239
Non-current liabilities			
Lease liabilities		–	858
Corporate bonds	28	–	8,334
Total non-current liabilities		–	9,192
NET ASSETS		1,764,125	2,332,047
Equity			
Share capital	30	6,486,588	6,486,588
Reserves (note)	31	(4,722,463)	(4,154,541)
TOTAL EQUITY		1,764,125	2,332,047

Approved and authorised for issue on behalf of the Board of Directors on 27 March 2026.

Mr. Li Guo
Executive Director

Ms. Liu Ying
Executive Director

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

38. THE COMPANY'S STATEMENT OF FINANCIAL POSITION (continued)

Note:

A summary of the Company's reserves is as follows:

	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	400,842	(3,991,629)	(3,590,787)
Loss for the year	–	(627,088)	(627,088)
Other comprehensive income, net of tax	63,334	–	63,334
Total comprehensive loss for the year	63,334	(627,088)	(563,754)
At 31 December 2024 and 1 January 2025	464,176	(4,618,717)	(4,154,541)
Loss for the year	–	(510,454)	(510,454)
Other comprehensive loss, net of tax	(57,468)	–	(57,468)
Total comprehensive loss for the year	(57,468)	(510,454)	(567,922)
At 31 December 2025	406,708	(5,129,171)	(4,722,463)

39. EVENTS AFTER THE REPORTING PERIOD

On 13 March 2026, 濟南天冠能源科技有限公司 (Jinan Tianguan Energy Technology Co., Ltd.*), an indirect wholly-owned subsidiary of the Company, entered into equity transfer agreements with Kong Sun Baoyuan, an associate of the Group, in relation to the acquisition of the 100% interest in 烏拉特中旗天楷新能源科技有限公司 (Urad Zhongqi Tiankai New Energy Technology Co., Ltd.*) and 海興縣江山新能源有限公司 (Haixing Kongsun New Energy Technology Co., Ltd.*), with a total consideration of approximately RMB2,055,000. The acquisitions were completed on 13 March 2026 and 19 March 2026, respectively.

On 16 March 2026, 江山永暉能源科技有限公司 (Kong Sun Yonghui Energy Limited*) ("Kong Sun Yonghui"), an indirect wholly-owned subsidiary of the Company, and 江山寶源國際融資租賃有限公司 (Kong Sun Baoyuan International Financial Leasing Limited*) ("Kong Sun Baoyuan"), an associate of the Company, entered into a loan agreement, pursuant to which Kong Sun Yonghui agreed to grant a loan of RMB90,000,000 to Kong Sun Baoyuan at an interest rate of 6% per annum for a term of 36 months.

40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 March 2026.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below.

RESULTS

	For the year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
REVENUE	321,412	392,963	474,793	555,727	992,756
LOSS FOR THE YEAR	(229,620)	(601,128)	(328,649)	(290,319)	(935,339)

FINANCIAL POSITION

	As at 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
TOTAL ASSETS	4,305,212	4,768,206	5,722,505	6,003,714	8,234,870
TOTAL LIABILITIES	(2,315,742)	(2,430,617)	(2,792,467)	(2,569,598)	(4,473,352)
TOTAL EQUITY	1,989,470	2,337,589	2,930,038	3,434,116	3,761,518