新特能源股份有限公司
Xinte Energy Co., Ltd.

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

Stock code : 1799

2025

ANNUAL REPORT

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Corporate Profile

DIRECTORS

Executive Directors

Mr. Huang Hanjie *(Chairman) (Re-designated from Non-executive Director to Executive Director and appointed as Chairman on 24 November 2025)*
Mr. Nan Xinjian *(Appointed on 30 January 2026)*
Ms. Huang Fen *(Appointed on 29 April 2025)*
Mr. Zhang Jianxin *(Resigned on 24 November 2025)*
Ms. Kong Ying *(Resigned on 14 March 2025)*
Mr. Hu Weijun *(Resigned on 5 January 2026)*

Non-executive Directors

Mr. Zhang Xin
Mr. Yang Xiaodong *(Re-designated from Executive Director to Non-executive Director on 5 January 2026)*
Mr. Hu Youcheng *(Appointed on 30 December 2025)*

Independent Non-executive Directors

Mr. Cui Xiang
Mr. Chen Weiping
Mr. Tam, Kwok Ming Banny

SUPERVISORS(NOTE)

Mr. Chen Qijun *(Chairman)*
Mr. Han Shu
Mr. Hu Shujun
Mr. Guo Hao
Mr. Wang Shufeng *(Appointed on 14 February 2025)*
Mr. Cao Huan *(Removed on 14 February 2025)*

AUDIT COMMITTEE

Mr. Tam, Kwok Ming Banny *(Chairman)*
Mr. Cui Xiang
Mr. Chen Weiping
Mr. Zhang Xin
Mr. Hu Youcheng *(Appointed on 30 December 2025)*
Mr. Huang Hanjie *(Resigned on 24 November 2025)*

NOMINATION COMMITTEE

Mr. Cui Xiang *(Chairman)*
Mr. Chen Weiping
Mr. Tam, Kwok Ming Banny
Mr. Huang Hanjie *(Appointed on 24 November 2025)*
Ms. Huang Fen *(Appointed on 29 April 2025)*
Mr. Zhang Jianxin *(Resigned on 24 November 2025)*
Ms. Kong Ying *(Resigned on 14 March 2025)*

REMUNERATION AND ASSESSMENT COMMITTEE

Mr. Cui Xiang *(Chairman)*
Mr. Chen Weiping
Mr. Tam, Kwok Ming Banny
Mr. Hu Youcheng *(Appointed on 30 December 2025)*
Mr. Nan Xinjian *(Appointed on 30 January 2026)*
Mr. Huang Hanjie *(Resigned on 24 November 2025)*
Mr. Hu Weijun *(Resigned on 5 January 2026)*

STRATEGY COMMITTEE

Mr. Huang Hanjie *(Chairman) (Appointed as a member on 24 November 2025 and re-designated from a member to Chairman on 5 January 2026)*
Mr. Yang Xiaodong *(Re-designated from Chairman to a member on 5 January 2026)*
Mr. Cui Xiang
Mr. Chen Weiping
Mr. Zhang Xin
Mr. Zhang Jianxin *(Resigned on 24 November 2025)*

Note: Effective from 30 December 2025, the Company has no longer established the Supervisory Committee, and accordingly, all supervisors have ceased to hold their positions as supervisors of the Company.

JOINT COMPANY SECRETARIES

Ms. Zhang Juan
Ms. Chan Yin Wah

AUTHORIZED REPRESENTATIVES

Mr. Tam, Kwok Ming Banny
Ms. Chan Yin Wah

AUDITOR

SHINEWING Certified Public Accountants LLP
Certified Public Accountants
9/F, Block A, Fu Hua Mansion
No. 8, Chaoyangmen Beidajie, Dongcheng District
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LEGAL ADVISERS

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Shuimogou District
Urumqi, Xinjiang
the PRC

As to Hong Kong law
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13/F Gloucester Tower, The Landmark
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Hong Kong

REGISTERED OFFICE

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Ganquanpu Economic and
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Urumqi, Xinjiang
the PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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STOCK CODE

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Definitions

In this annual report, unless the context otherwise requires, the following terms and expressions have the meanings as set forth below:

"30%-controlled company"	has the meaning as ascribed to it under the Listing Rules
"General Meetings"	the annual general meetings or extraordinary general meetings of the Company
"A Share(s)"	ordinary share(s) proposed to be issued by the Company under the Proposed A Share Offering and subscribed in Renminbi
"A Share Listing"	the proposed initial public offering of not exceeding 300,000,000 A Shares by the Company, which are intended to be listed on the main board of the Shanghai Stock Exchange, the offering was terminated in December 2024
"Articles of Association"	the articles of association adopted by the Company, as amended from time to time
"associate(s)"	has the meaning as ascribed to it under the Listing Rules
"Audit Committee"	Audit Committee of the Board of the Company
"Board"	the board of Directors of the Company
"CASBE"	China Accounting Standards for Business Enterprises issued by the MOF
"China" or "PRC"	the People's Republic of China, excluding, for the purpose of this annual report, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Proposed Annual Cap"	the maximum consideration payable by the Factoring Company to the Group for the assignment of accounts receivables pursuant to the Factoring Services Framework Agreement
"Company", "Xinte Energy", "we" or "us"	Xinte Energy Co., Ltd. (新特能源股份有限公司), a company with limited liability incorporated in the PRC on 20 February 2008, which was transformed into a joint stock limited company on 16 October 2012, the H shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1799)
"Companies Ordinance"	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Connected Person(s)"	has the meaning as ascribed to it under the Listing Rules

"Connected Transaction(s)"	has the meaning as ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning as ascribed to it under the Listing Rules
"DC"	direct current (the unidirectional flow of electric charge)
"Director(s)"	a director (or all directors) of the Company
"Domestic Share(s)"	ordinary share(s) in the Company's share capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
"Employee Share Ownership Scheme"	the 2022 employee share ownership scheme implemented by the Company, which was terminated on 20 April 2025
"Factoring Company"	Tianjin Sanyang Silu Commercial Factoring Co., Ltd.* (天津三陽絲路商業保理有限公司), a company incorporated in the PRC with limited liability on 26 January 2022 and a wholly-owned subsidiary of TBEA as at the Latest Practicable Date
"Factoring Services Framework Agreement"	a factoring services framework agreement dated 31 March 2025 entered into between the Company and the factoring company in relation to the provision by the factoring company of non-recourse factoring services for the accounts receivable of the Group
"Group", "our Group"	the Company and its subsidiaries
"GW"	gigawatt, a unit of power. 1GW = 1,000MW
"H Share(s)"	overseas listed foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each which are listed on the Main Board of the Stock Exchange and are subscribed for and traded in Hong Kong dollars
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Testing Company"	Xinjiang Xinte Xinneng Materials Co., Ltd.* (新疆新特新能材料檢測中心有限公司), a company incorporated in the PRC with limited liability on 21 March 2013 and a wholly-owned subsidiary of the Company as at the Latest Practicable Date

"kW"	kilowatt, a unit of power. 1kW = 1,000 watts
"kW·h"	kilowatt hour, the unit of measurement for calculating the quantity of power production output. 1kW·h is the work completed by a kilowatt generator running continuously for one hour at the rated output
"Latest Practicable Date"	21 April 2026, being the latest practicable date prior to the printing of this annual report for including certain information
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"NFRA"	the National Financial Regulatory Administration of the PRC and its branch offices, including its predecessor, the China Banking and Insurance Regulatory Commission (CBIRC)
"Major Cooperative Commercial Banks"	major state-owned commercial banks and national joint stock commercial banks in the PRC that cooperate with the Group
"PBOC"	the People's Bank of China
"percentage ratios"	has the meaning ascribed to that term in Chapter 14 of the Listing Rules
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"MOF"	Ministry of Finance of the PRC
"MW"	megawatt, a unit of power. 1MW = 1,000kW
"NDRC"	National Development and Reform Commission of the PRC
"NEA"	National Energy Administration of the PRC
"Nomination Committee"	Nomination Committee of the Board of the Company
"on-grid tariff"	the selling price of electricity for which a power generating project can sell the electricity it generated to the power grid companies, usually denominated in RMB/kW·h
"Participant(s)"	participant(s) of the Employee Share Ownership Scheme
"Partnerships" or "Shareholding Platforms"	the 11 limited partnerships established by the participants of the Employee Share Ownership Scheme to hold the Domestic Shares

"State Council"	the State Council of the PRC
"Province"	a province or, as the context requires, a provincial level autonomous region or municipality under the direct supervision of the central government of the PRC
"PV"	photovoltaic
"R&D"	research and development
"Remuneration and Assessment Committee"	Remuneration and Assessment Committee of the Board of the Company
"Reporting Period"	the year ended 31 December 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Shengding"	Changji Prefecture Shengding New Energy Power Generation Co., Ltd.* (昌吉州盛鼎新能源發電有限公司), a company incorporated in the PRC with limited liability on 10 July 2023 and a non-wholly-owned subsidiary of the Company as at the Latest Practicable Date
"Shengyu"	Changji Prefecture Shengyu New Energy Power Generation Co., Ltd.* (昌吉州盛裕新能源發電有限公司), a company incorporated in the PRC with limited liability on 10 July 2023 and a non-wholly-owned subsidiary of the Company as at the Latest Practicable Date
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	share(s) in the share capital of our Company with a nominal value of RMB1.00 each, including Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"SHINEWING"	SHINEWING Certified Public Accountants LLP, the auditor of the Company
"SSE"	Shanghai Stock Exchange
"Silicon New Material"	Xinte Silicon New Materials Co., Ltd.* (新特硅基新材料有限公司), a company incorporated in the PRC with limited liability on 17 February 2022 and a wholly owned subsidiary of the Company as at the Latest Practicable Date

"Silicon-based Innovation Center"	Xinjiang Silicon-based New Material Innovation Center Co., Ltd.* (新疆硅基新材料創新中心有限公司), a company incorporated in the PRC with limited liability on 22 November 2019 and a 61.33% owned subsidiary of the Company as at the Latest Practicable Date
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	Strategy Committee of the Board of the Company
"Subsidiary(ies)"	has the meaning as ascribed to it under the Listing Rules
"Sunoasis"	TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司), a joint stock company incorporated in the PRC with limited liability on 30 August 2000 and a 91.26% owned subsidiary of the Company (previously translated as TBEA Xinjiang New Energy Co., Ltd.) as at the Latest Practicable Date
"Supervisor(s)"	a supervisor (or all supervisors) of the Company
"Supervisory Board"	the supervisory board of the Company
"SVG"	Static VAR generator
"TBEA"	TBEA Co., Ltd. (特變電工股份有限公司), a joint stock company incorporated in the PRC with limited liability on 26 February 1993 and listed on the Shanghai Stock Exchange (Stock code: 600089). As of the Latest Practicable Date, TBEA directly and indirectly held 66.61% equity interest of the Company, and is the Controlling Shareholder of the Company
"TBEA Finance"	TBEA Finance Co., Ltd. (特變電工財務有限公司), a company incorporated in the PRC with limited liability on 29 November 2018 as well as a non-bank financial institution approved by NFRA and a non-wholly owned subsidiary of TBEA as at the Latest Practicable Date
"TBEA Group"	TBEA and its subsidiaries and its associates (excluding the Group)
"Xinjiang"	Xinjiang Uygur Autonomous Region
"Xinjiang Joinworld"	Xinjiang Joinworld Co., Ltd. (新疆眾和股份有限公司), a joint stock company incorporated in the PRC with limited liability on 13 February 1996 and listed on the Shanghai Stock Exchange (Stock Code: 600888). Xinjiang Joinworld is a connected person of the Company as it is a 30%-controlled company of TBEA as at the Latest Practicable Date

"Xinjiang Tebian"	Xinjiang Tebian Group Co., Ltd. (新疆特變電工集團有限公司), a company with limited liability incorporated in the PRC on 27 January 2003, holding 6.08% equity interest in our Company directly and indirectly as of the Latest Practicable Date. Xinjiang Tebian is a connected person of the Company as it is a 30%-controlled company of Mr. Zhang Xin, a Director of the Company
"Xinjiang Tebian Group"	Xinjiang Tebian and its associates
"Xinjiang Tianchi"	Xinjiang Tianchi Energy Co., Ltd.* (新疆天池能源有限責任公司), a company incorporated in the PRC with limited liability on 29 November 2002. As at the Latest Practicable Date, TBEA directly holds 85.78% of its equity interest
"Xuyi High Drive"	Xuyi High Drive Wind Power Co., Ltd.* (盱眙高傳風力發電有限公司), a company incorporated in the PRC with limited liability on 16 April 2014 and a non-wholly owned subsidiary of the Company as at the Latest Practicable Date
"3GW New Energy Projects in Zhundong"	including the 1GW PV and supporting energy storage project as a demonstration project in the Zhundong Xinte Silicon Green and Low-carbon Silicon-based Industrial Park and the 2GW wind power and supporting energy storage project as a demonstration project in the Zhundong Xinte Silicon Green and Low-carbon Silicon-based Industrial Park
"Zhundong Energy"	Xinjiang Zhundong TBEA Energy Co., Ltd.* (新疆准東特變能源有限責任公司), a company incorporated in the PRC with limited liability on 25 September 2013. As at the Latest Practicable Date, Xinjiang Tianchi directly holds 51% of its equity interest and the Company directly holds 49% of its equity interest
"%"	per cent

* *For identification purpose only*

Financial Summary

During the Reporting Period, the Group achieved operating revenue of RMB15,254.50 million, total loss of RMB1,089.25 million and net loss attributable to shareholders of the listed company of RMB1,205.48 million.

The Group's business mainly comprises the R&D, production and sale of high-purity polysilicon, the development, construction and operation of wind power and PV power plants and the R&D, production and sale of electrical equipment including inverters, SVG, energy storage and flexible direct current transmission converter valves ("**FDC Converter Valve**").

The following table sets forth the Group's principal operating revenue generated from each business segment during the periods as shown and the percentage of principal operating revenue in each segment:

	2025		2024		
	Principal operating revenue RMB	**Percentage of principal operating revenue**	Principal operating revenue RMB	Percentage of principal operating revenue	Rate of change
Polysilicon	**2,924,557,601.01**	**19.17%**	7,750,014,012.64	36.53%	-62.26%
Construction of wind power and PV power plants	**5,914,940,791.69**	**38.78%**	7,457,204,252.63	35.15%	-20.68%
Operation of wind power and PV power plants	**2,682,821,452.79**	**17.59%**	2,349,702,746.44	11.08%	14.18%
Electrical equipment	**3,330,206,137.51**	**21.83%**	3,052,968,924.63	14.39%	9.08%
Others	**401,971,158.74**	**2.64%**	603,090,019.45	2.84%	-33.35%
Total	**15,254,497,141.74**	**100.00%**	21,212,979,955.79	100.00%	-28.09%

The assets, liabilities and operating results of the Group for the five years ended 31 December 2025 are summarized as follows:

	As of 31 December/Year ended 31 December				
	2025	2024	2023 (adjusted)	2022	2021
	RMB	RMB	RMB	RMB	RMB
Total assets	**82,121,100,369.22**	81,680,586,196.76	85,929,456,765.50	79,154,586,907.44	58,198,873,145.40
Total liabilities	**45,074,912,092.06**	46,386,860,952.15	44,697,595,798.70	43,117,351,667.81	34,810,233,544.51
Owner's equity	**37,046,188,277.16**	35,293,725,244.61	41,231,860,966.80	36,037,235,239.63	23,388,639,600.89
Including: Interests attributable to the shareholders of listed company	**31,457,502,557.56**	32,793,340,290.46	36,413,036,740.14	31,719,387,871.75	20,027,574,793.73
Interests of minority shareholders	**5,588,685,719.60**	2,500,384,954.15	4,818,824,226.66	4,317,847,367.88	3,361,064,807.16
Operating revenue	**15,254,497,141.74**	21,212,979,955.79	30,751,795,719.24	36,831,400,135.08	22,523,039,942.65
Total profits	**-1,089,249,411.83**	-4,079,372,098.60	6,104,678,526.29	16,815,048,942.77	6,318,345,920.83
Income tax expenses	**244,880,666.60**	-35,634,936.71	987,154,864.69	2,495,260,376.01	934,334,896.63
Net profit	**-1,334,130,078.43**	-4,043,737,161.89	5,117,523,661.60	14,319,788,566.76	5,384,011,024.20
Including: Net profit attributable to shareholders of the listed company	**-1,205,476,164.13**	-3,904,879,436.49	4,345,034,528.79	13,314,827,898.02	4,955,264,764.83
Profit and loss of minority shareholders	**-128,653,914.30**	-138,857,725.40	772,489,132.81	1,004,960,668.74	428,746,259.37
Earnings per share					
Including: Basic earnings per share (RMB/share)	**-0.84**	-2.73	3.04	9.31	3.92
Diluted earnings per share (RMB/share)	**-0.84**	-2.73	3.04	9.31	3.92

Note: loss is represented by "-"

Chairman's Statement

Dear Shareholders,

The 14th Five-Year Plan marks a pivotal turning point for the new energy industry. After years of rapid capacity expansion, the sector has entered a new phase of high-quality development centred on quality enhancement, efficiency optimisation, and cross-sector integration. The industry's development logic, competitive landscape, and policy orientation have all undergone profound changes. Looking back on 2025, we found ourselves navigating the depths of structural adjustments in the photovoltaic industry. Staying focused on the course of high-quality development, we pooled collective wisdom and embarked on a challenging journey. Amidst a complex and evolving landscape, we forged ahead with determination and made steady progress, jointly writing a chapter of overcoming difficulties and striving for excellence.

Over the year, we concentrated our efforts on a decisive campaign to enhance operational quality. We pursued systematic breakthroughs in key metrics such as polysilicon quality and energy consumption, continuously refined our quality management systems, and deepened our lean management practices.

Over the year, we achieved major breakthroughs in market expansion. Our flexible direct current converter valve products were successfully awarded bids for the State Grid Corporation of China's Tibet-Guangdong HVDC Project (sending-end ±800kV flexible direct current converter valve) and the China Southern Power Grid's Tibet-Guangdong HVDC Project (receiving-end converter valve). This accomplishment represents a "full-chain supply" of converter valve equipment at both the sending and receiving ends of the ultra-high voltage flexible direct current transmission project, highlighting our core equipment self-sufficiency capabilities.

Over the year, we bolstered our core energy equipment R&D and manufacturing development. A subsidiary of the Company was successfully selected as a pilot "zero-carbon or near-zero carbon" factory. This recognition not only underscores our Group's strong performance in technological innovation but also encourages us to continue leading industry technological advancements and contributes to the pursuit of green, low-carbon development and industrial transformation and upgrading.

Over the year, we leveraged the "digital engine" to drive transformative growth. Our projects such as "High-Efficiency, Full-Business Collaborative Intelligent Factory of Fifth Generation Mobile Communication Technology + Industrial Internet Enabling the Production of High-purity Silicon-based Materials" and "Integrated Intelligent Factory For Collaborative Production and Operations Management Based on Industrial Internet" were both designated as Autonomous Region-level advanced intelligent factories. Adhering to our strategic theme of "dual-drive approach in the power electronics manufacturing and green energy service sectors", we focused on digital application needs such as project planning, intelligent operation and maintenance, and energy storage operations. Through digital empowerment, we achieved closed-loop management in manufacturing and services across application scenarios ranging from energy planning and power plant monitoring to asset operation and maintenance, power trading, and integrated energy services, significantly elevating our comprehensive digital and intelligent capabilities.

As we embark on a new chapter in 2026, looking ahead with a broad perspective, we are keenly aware that the external environment remains challenging. In the new year, the team at Xinte Energy will maintain strategic resolve, diligently strengthen our core capabilities, and deeply explore our potential. We will transform external pressures into internal impetus for change and convert external challenges into opportunities for self-transcendence. Steering with the helm of transformation, raising the sails of innovation, and rowing with the oars of dedication, we will ride the winds and break the waves, standing boldly at the forefront!

Chairman
Huang Hanjie

27 March 2026

I. REVIEW OF INDUSTRY DEVELOPMENT STATUS

2025 marks the concluding year of China's "14th Five-Year Plan" for energy. Against the backdrop of accelerating global energy transition and energy consumption "progressing steadily towards green", China's energy reform continued to deepen. During the year, newly installed renewable energy capacity reached approximately 446 million kW, with the share of renewable energy generation capacity rising from 40% at the beginning of the "14th Five-Year Plan" period to around 60% by 2025, marking a landmark achievement in green transition. Despite the overall positive trend in the long-term development of renewable energy, the competitive landscape across the industry chain remains intense due to the current slowdown in global new energy growth and structural imbalances in supply and demand within the PV industry. Under the guidance of the national "anti-involution" policies, polysilicon prices remained under pressure and fluctuated. However, high social inventory and supply-demand imbalances still posed significant development pressures on the industry, which navigated under pressure towards a transition from scale expansion to high-quality and high-value development.

1. Review of Major Policies in relation to China's New Energy Industry

- In January 2025, the NDRC and the NEA jointly issued the Notice on Deepening the Market-oriented Reform of New Energy Feed-in Tariff to Promote High-quality Development of New Energy* 《關於深化新能源上網電價市場化改革促進新能源高質量發展的通知》 ("**Document No. 136**"). The document proposes deepening the market-oriented reform of new energy feed-in tariff to give play to the decisive role of the market in resource allocation and promote the quality development of new energy, based on the overall principles of market-oriented price establishment, fair responsibility sharing, differentiation between existing and incremental power, and coordinated policies. This will promote the full entry of on-grid electricity generated from new energy sources, such as wind power and solar power, into the electricity market, with prices established through market transactions. Simultaneously, a price difference settlement mechanism will be established outside the market to support the sustainable development of new energy, so as to differentiate between existing and incremental projects to implement policies by category, maintain policy consistency for existing projects, and stabilize the expected returns of incremental projects. The document also proposes strengthening the coordination between reform and environmental optimization and prohibiting the use of energy storage as a precondition for the approval, grid connection, and on-grid of newly built new energy projects.

- In February 2025, the NEA issued the Guiding Opinions on Energy Work in 2025* 《2025年能源工作指導意見》, which outlines the goals and key tasks for 2025 around energy security and green, low-carbon transformation. The overall goal is to reach over 3.6 billion kW of total installed power generation capacity nationwide by 2025, with an increase of over 200 million kW of new energy power generation capacity, generating approximately 10.6 trillion kWh of electricity. By 2025, the proportion of non-fossil energy power generation capacity will increase to approximately 60%, and the proportion of non-fossil energy in total energy consumption will increase to approximately 20%. The government will actively and steadily promote the green, low-carbon transformation of new energy by promoting the construction of the second and third batches of large-scale wind power and PV power bases in the "desert, gobi and barren land" and integrated water, wind, and solar power bases in major river basins.

The layout of new energy and key industries will be coordinated where renewable energy substitution initiatives will be implemented in key sectors such as industry and transportation and support will be provided for the construction of zero-carbon industrial parks and integrated PV buildings, promoting local consumption of new energy. The government will deepen energy reform and legal construction, innovate new energy pricing mechanisms and consumption methods, and promote the full participation of new energy in the market to realize its transformation from guaranteed purchase to market-oriented consumption; study and formulate direct green power supply policy measures, issue policy documents for high-quality development of the Green Certificate market, implement green electricity consumption promotion mechanisms, improve the consumption responsibility weight system to strengthen user responsibility, and establish a market mechanism that adapts to the participation of new energy storage and virtual power plants.

- In March 2025, the State Council released the 2025 Government Work Report of the State Council, which points out that in 2025, the government shall actively and steadily promote carbon peak and carbon neutrality, carry out the second batch of national carbon peak pilot projects in a solid manner, and establish a number of zero-carbon parks and zero-carbon factories; accelerate the construction of a dual-control system for carbon emissions, expand the industry coverage of the national carbon emissions trading market, carry out carbon emissions statistics and accounting, establish a product carbon footprint management system and a carbon labeling certification system; facilitate the construction of new energy bases in the "desert, gobi and barren land", develop offshore wind power, and coordinate the construction of local consumption and external transmission channels.

- In March 2025, the NDRC, the NEA and other departments jointly issued the Opinions on Promoting the High-Quality Development of the Renewable Energy Green Electricity Certificate Market* 《關於促進可再生能源綠色電力證書市場高質量發展的意見》. The opinions provide detailed guidance on stabilizing the market supply of the renewable energy green electricity certificate ("**Green Certificate**"), improving the Green Certificate trading mechanism, expanding the application scenarios of Green Certificate, and promoting the internationalization of Green Certificate applications. It proposes that by 2027, the Green Certificate market trading system and other systems will become basically complete, achieving national smooth flow of the Green Certificate; by 2030, the Green Certificate market system will become more robust and be operating efficiently, the international application of Green Certificate will be effectively realized, and the environmental value of green electricity will be reasonably reflected, giving strong support to the development of renewable energy and green transformation of the economy and society.

- In May 2025, the NDRC and the NEA jointly issued the Notice on Matters Concerning Orderly Promotion of the Development of Direct Green Power Supply* 《關於有序推動綠電直連發展有關事項的通知》. The document clarifies that direct green power supply refers to a model under which new energy sources such as wind power, solar power, and biomass power generation are not directly connected to the public grid but instead green power is supplied to a single power user through direct lines, enabling clear physical traceability of the supplied power. The document also regulates the safety management, grid connection, dispatching operation, trading, and pricing mechanisms of direct green power supply projects. The direct green power supply projects aim to meet the green energy needs of enterprises and enhance the local

consumption of new energy. They are constructed and operated according to the principles of safety priority, environmental friendliness, equal rights and responsibilities, and source-load matching, assuming safety, economic, and social responsibilities in a fair and reasonable manner. The direct green power supply projects enjoy equal market status. The proportion of annually self-generated and self-consumed electricity from new energy as a whole shall be no less than 60% of total available power generation and no less than 30% of total electricity consumption. This proportion of self-generation and self-consumption electricity should be continuously increased, reaching no less than 35% by 2030.

- In July 2025, the NDRC and the NEA jointly issued the Notice on Renewable Energy Electricity Consumption Responsibility Weights and Related Matters for 2025* 《關於2025年可再生能源電力消納責任權重及有關事項的通知》. The Notice clarifies the responsibility weights for renewable energy electricity consumption for 2025 and 2026, as well as the proportion of green electricity consumption in key energy-consuming industries. It specifically adds the steel, cement, and polysilicon industries, as well as green electricity consumption proportion for newly constructed data centers at national hub nodes based on the electrolytic aluminum industry.

- In September 2025, the National Standardization Administration issued the Notice on the Formulation and Revision Plans for 14 Mandatory National Standards including the "Energy Consumption Limits for Polysilicon and Germanium Unit Products" and Related Foreign Language Version Plans* 《關於下達<硅多晶和鍺單位產品能源消耗限額>等14項強制性國家標準制修訂計劃和相關標準外文版計劃的通知》. The Notice requires the organisation of drafting, solicitation of opinions, and technical review for the 14 standards, including the Energy Consumption Limits for Polysilicon and Germanium Unit Products* 《硅多晶和鍺單位產品能源消耗限額》. The revision plan for the Energy Consumption Limits for Polysilicon and Germanium Unit Products points out that the existing mandatory content indicators for comprehensive electricity consumption in polysilicon projects have been restricted and do not cover the energy consumption limits for polysilicon production using the silane fluidised bed method, which cannot guide the transformation and upgrading of the polysilicon industry. Therefore, it is urgent to revise the current standard. This standard revision is a key measure in the transformation of China's polysilicon industry from "scale leadership" (規模領先) to "quality leadership" (質量引領). By establishing scientific, advanced, and highly operable energy consumption limit standards, it will not only directly reduce the industry's energy consumption and carbon emissions but also promote the green upgrade of the entire industrial chain, providing support for the healthy and sustainable development of the industry.

- In October 2025, the NDRC and the NEA jointly issued the Guiding Opinions on Promoting the Consumption and Regulation of New Energy* 《關於促進新能源消納和調控的指導意見》, which proposes that by 2030, a multi-level new energy consumption and regulation system will be basically established, and the increased electricity demand will mainly be met by increased new energy power generation. The new power system and electricity market will meet the reasonable consumption demand of over 200 million kW of new energy each year across the country. By 2035, the target for the construction of a new power system adapted to a high proportion of new energy will be basically completed. The Opinions call for comprehensively implementing the development layout planning for the new energy bases in the "desert, gobi and barren land", promoting the dual approach of external transmission and local consumption of new energy bases in the "desert, gobi and barren land", and facilitating

the realization of large-scale local consumption of new energy bases in the "desert, gobi and barren land" through integrated development of new energy, gradient transfer of industries in the eastern region, and tapping the consumption potential in the western region. Furthermore, it advocates for the healthy and sustainable development of new business models for local new energy consumption, such as integrated generation-grid-load-storage systems, direct green power connections, smart microgrids, and new energy integration into incremental distribution networks. These models support the direct connection of new energy sources and enhance the level of power supply guarantee. Additionally, it also encourages exploring the coordinated regulation and control model for clusters of new energy bases in the "desert, gobi and barren land", water, wind and solar power bases and offshore wind power bases, and accelerating the integrated output curve dispatch of new energy with on-site supporting energy storage.

2. Review of Development Status of the Polysilicon Industry

According to the statistics of the Silicon Industry Branch of China Nonferrous Metals Industry Association* (中國有色金屬工業協會硅業分會), the polysilicon production capacity in the PRC reached 1,319,000 tons in 2025, representing a year-on-year decrease of 28.4%. Affected by the imbalance between supply and demand in the PV industry chain and the impact of "anti-involution" measures, the price of polysilicon in the PRC experienced a downward trend under pressure in the first half of the year, gradually rebounding in the second half, showing a U-shaped recovery trend for the entire year. The average price of N-type refeeding materials decreased from RMB41,500/ton (tax included) at the beginning of January 2025 to RMB34,400/ton (tax included) at the end of June, before rising to RMB53,900/ton (tax included) at the end of December 2025.

3. Review of Development Status of the PV and Wind Power Generation Industry in the PRC

According to the statistics from the NEA, the newly installed power generation capacity in China was approximately 542.72GW in 2025, representing a year-on-year increase of 26.52%. As of the end of 2025, China's cumulative installed power generation capacity was approximately 3,891.34GW, representing a year-on-year increase of 16.21%, of which the cumulative installed power generation capacity of wind power and solar power reached 1,841.74GW, exceeding the cumulative installed capacity of thermal power.

The newly installed PV power generation capacity in China was approximately 315.07GW in 2025, representing a year-on-year increase of approximately 13.67%. As of the end of 2025, China's cumulative installed PV power generation capacity was approximately 1,201.73GW. The newly installed wind power capacity in China was approximately 119.33GW in 2025, representing a year-on-year increase of approximately 50.40%. As of the end of 2025, the accumulative installed wind power capacity in China reached approximately 640.01GW.

II. PRINCIPAL BUSINESS OPERATIONS OF THE GROUP

In 2025, facing profound changes in the global new energy industry landscape, the Group reduced costs and improved efficiency through technological innovation and lean management, enhancing cost management and control effectiveness. By focusing on "optimizing structure", it steadily advanced the development, construction, and operational scale of new energy resources, strengthening the R&D and innovative capacity of new energy core equipment manufacturing industry, thereby achieving breakthroughs in both domestic and international markets, and solidifying the Company's operational foundation during the industry's transitional period. During the Reporting Period, affected by the market price of polysilicon products, the Group achieved revenue from operations of RMB15,254.50 million, net loss of RMB1,334.13 million and the net loss attributable to shareholders of the listed company of RMB1,205.48 million, with the loss from operations narrowing as compared to the corresponding period of last year.

1. Polysilicon Production

In response to the severe challenges that PV industry was in deep adjustment, the Group carried out self-discipline production control during the Reporting Period, coupled with economic calculations and overhaul and technological transformation plans. The Group conducted daily maintenance on production facilities, carried out overhaul projects and hazard elimination to implement full-cycle management of equipment and ensure that production facilities were capable of long-term stable and safe operation. The Group achieved digital intelligence empowerment and refined parameter management through full-process informatized closed-loop management of polysilicon product quality, continually enhancing the quality of its products. Through the optimization of process, implementation of technical improvements, and all-factor fine-tuning, the Group adjusted procurement strategies to reduce material purchasing costs, optimized processes, and improved equipment performance to promote energy conservation and consumption reduction, continuously solidifying the foundation of cost management and control, thereby enhancing quality while reducing costs and improving operational efficiency.

2. Development, Construction, Operation of PV and Wind Power Resources

In 2025, the Group optimized the layout of new energy projects, prioritizing the construction and operation of projects in regions with favorable consumption conditions. The Group actively participated in the construction of large-scale wind power and PV power bases and promoted the integrated development of new energy with energy storage, data centers, and other industries, engaging in integrated energy services. The Group established a full-process cost control system focusing on the full lifecycle of new energy projects from "proposal — design — procurement — construction — completion". It improved cost reduction paths at each stage by establishing standard cost controls, promoting the application of new materials, optimizing supplier sourcing and bidding management, and building closed-loop control mechanisms. Additionally, the Group comprehensively deepened engineering project quality management across five core dimensions: quality system construction, plan implementation, process control, supervisory performance, and completion acceptance, reinforcing the Company's development lifeline with high standards and strict requirements.

During the Reporting Period, the Group focused on precise operations and maintenance to establish a mechanism for stabilizing both quantity and price, comprehensively enhancing the profitability quality of power station operations. The Group deepened lean operations through centralized monitoring and unmanned management, developing information systems such as a smart operation management platform for wind power plants and remote auxiliary monitoring for power stations. This enhanced the quality and efficiency of equipment monitoring and continuously improved per capita efficiency, achieving an increase of approximately 22% in per capita operation and maintenance capacity as compared to the corresponding period of last year. By relying on fault warning systems and preventive maintenance, the Group strengthened its equipment foundation, carrying out reliability governance for major wind turbine components, transmission lines and other equipment, so as to enhance the stability of operations and maintenance. Leveraging multi-cycle and multi-variety trading position allocations, along with cross-provincial green power trading to seize market opportunities, the Group effectively optimized electricity prices, resulting in an increase of approximately 15% in the annual on-grid electricity of self-operated power stations as compared to the corresponding period of last year. By improving the power trading evaluation system, upgrading the auxiliary decision-making platform, and deeply exploring data value, the Group comprehensively improved its power trading capabilities and enhanced the profitability of power stations.

During the Reporting Period, the completed total installed capacity of PV and wind power construction projects of the Group which had been recognized as revenue amounted to approximately 2.74GW. The 3GW new energy projects in Zhundong achieved partial capacity grid-connected power generation, steadily advancing towards the goal of "green manufacturing with green energy" (以綠製(造)綠) along the industrial chain. As of the end of 2025, the Group had operated power plants projects which have achieved grid-connected power generation of approximately 4GW.

3. Manufacturing of Key Equipment Including Inverters, SVG, Energy Storage and FDC Converter Valves

In 2025, by seizing the key opportunity for high-growth development in niche fields under the wave of energy transformation, the Group continuously developed manufacturing business for key equipment such as inverters, SVG, Energy Storage and FDC Converter Valves, with the aim of becoming an excellent global power electronics manufacturer.

During the Reporting Period, the Group implemented its innovation philosophy of "research for application" (研為所用), anchoring efforts in grid control and device innovation to build product competitive advantages, resulting in the launch of multiple new products and increased market share in segmented markets. Concurrently, the Group achieved new milestones in market expansion, securing multiple bids and contracts for inverters and energy storage products in the domestic market. Its FDC Converter Valves achieved a breakthrough with successful contracts secured for both the sending end of the State Grid Tibet-Guangdong DC project and the receiving end of the China Southern Power Grid Tibet-Guangdong DC project, realising "full-link supply" of converter valve equipment for both sending and receiving ends of the ultra-high-voltage flexible DC transmission project. The total contract value reached RMB1,227 million, demonstrating the Group's R&D strength in core equipment and supply assurance capability. International operations achieved historic breakthroughs, with inverters and energy storage products securing initial listings and first-time contracts in multiple countries and regions.

4. Technology and R&D

In terms of polysilicon production, focusing on key issues such as improvement in product quality and reduction of comprehensive system energy consumption, the Group carried out a number of technology innovation work and core technology research in core links such as cold hydrogenation, distillation and purification, reduction and products sorting. Through the deployment of intelligent control systems, flow field simulation, process optimization and digital upgrading of equipment and other means, the Group not only effectively improved production and operation efficiency and reduced energy consumption costs, but also solidified the core support for high-quality development of the enterprise, laying a solid foundation for the continuous advancement of subsequent business.

In terms of the development, construction and operation of wind power and PV resources, the Group deepened its digital transformation, improved operation and maintenance performance and management efficiency, and focused on the four directions of "reducing manpower, creating applications, building platforms, and building foundations" along the "business-led, platform-supported and data-driven" path. Through process reconstruction and system integration, the Group achieved a leap from online single point of business to collaboration between the market and delivery ends. The high-voltage and high-capacity flexible DC converter valve based on 6.5kV/4kA IGCT (Integrated Gate-Commutated Thyristor) power devices in which the Group participated in the R&D, successfully passed the technology appraisal of new products organized by the China Electricity Council and was recognized as reaching an industry-leading level. This technological breakthrough can help achieve more economical solutions for transmission projects such as offshore wind power and desert PV projects in new energy bases. Based on policy orientation and focusing on the R&D achievements of new energy technologies, the Group developed five new business models and solutions, including the expansion of new energy application scenarios, innovative operation of energy storage, zero-carbon and comprehensive energy services, hydrogen and low-carbon technologies and policy-oriented consumption and renewal of new energy, covering the entire industry chain scenario and supporting the transformation of the Group into a "power electronics manufacturer" and a "green and smart energy service provider".

In 2025, a total of 104 patents submitted by the Group were granted. As at 31 December 2025, the Group had a total of 940 domestic patents, 1 international patents, and participated in the preparation of 213 issued standards, including 6 international standards, 65 national standards and 58 industry standards.

5. Safety Production

The Group consistently implements the "people and safety-oriented"(以人為本，安全為天) safety management policy, prioritizing safety production work, and pays close attention to the key areas such as enhancing the intrinsic safety of process equipment, reforming the informatization of safety production, standardizing operation procedures, and improving emergency response capabilities, continuously consolidating the foundation for safe development. In 2025, the Group had no major safety production and environmental protection accidents and incidents.

During the Reporting Period, the Group continuously improved the safety risk prevention and control system, increased innovation and investment in safety technology, and promoted the continuous improvement of the level of safety production management; established a regular safety production supervision and inspection mechanism, equipped with a professional safety management team, and conduct real-time supervision and control over the production site, operation processes, equipment operation to promptly identify and eliminate potential safety hazards; steadily promoted the digitalization construction of safety under the main thread of "safety with no people and safety with few people" (無人則安，少人則安), achieved intelligent early warning of major accident risks and the early warning of unplanned equipment shutdowns prevention through the implementation of projects such as intelligent monitoring of major hazard sources, equipment status monitoring and personnel positioning, deeply advanced the construction of smart safety, smart fire protection and intelligent systems for the entire lifecycle of equipment and facilities, achieving the interconnection, sharing and analysis, as well as intelligent early warning of safety production data and promoting the transformation of on-site safety management from passive handling to active prevention.

6. Talent Team Building

During the Reporting Period, the Group firmly adhered to the concept of "strengthening the enterprise with talents and creating and sharing" (人才強企，創造分享), and based on the strategic business development direction, closely focused on aspects such as "optimizing structure, precise talent cultivation and improving the remuneration incentive system" (優化結構、精準人才培養、完善薪酬激勵體系) to carry out talent team building work. The Group carried out targeted talent cultivation and recruitment initiatives in R&D, quality, cost and technology, prioritized cultivating and introducing practical talents and experts in the fields of R&D, process, equipment and quality, and strengthened the practical assessment and echelon construction of the talent team; empowered around job requirements, job learning and job improvement, ensured stable production through strengthening training and skill enhancement, established a competency matrix for skilled talents to meet the standards and take up their posts, as well as courseware and theory and practical question banks from eight dimensions including safety, process, equipment, R&D, and emergency operation, to continuously enhance the professional capabilities of the talent team; adhered to the value concept of "creating and sharing" (創造與分享), scientifically established a remuneration mechanism oriented towards value creation and performance incentives in light of changes in both internal and external environments, enhancing organizational performance while fully safeguarding employee compensation levels, enabling the sharing of development achievements with employees.

III. OPERATING RESULTS AND ANALYSIS

Financial Review:

Revenue

The Group generates revenue mainly from the R&D, production and sales of high purity polysilicon, the development, construction and operation of wind power and PV power plants, and the R&D, manufacturing and sales of electrical equipment such as inverters, SVG, FDC Converter Valves and energy storage systems. For the year ended 31 December 2025, the revenue of the Group was RMB15,254.50 million, representing a decrease of RMB5,958.48 million, or 28.09%, from RMB21,212.98 million in the corresponding period of last year, which was mainly attributable to the Group's reasonable arrangement of production and operating plans based on economic calculations and the control of production and sales of the polysilicon business during the Reporting Period, resulting in the significant decline in the sales volume of the polysilicon. The revenue of each business segment is as follows:

For the year ended 31 December 2025, the revenue of the polysilicon segment was RMB2,924.56 million, representing a decrease of RMB4,825.25 million, or 62.26%, from RMB7,750.01 million in the corresponding period of the previous year. The decrease was mainly attributable to the significant decline in the sales volume of the Group's polysilicon during the Reporting Period.

For the year ended 31 December 2025, the revenue of the wind power and PV power plants construction segment was RMB5,914.94 million, representing a decrease of RMB1,542.26 million or 20.68% from RMB7,457.20 million in the corresponding period of last year, which was mainly attributable to the impact of Document No. 136, the market-oriented reform of feed-in tariffs for new energy, the decline in power generation income of projects, the reduction in the Group's new construction projects and the decrease in the scale of the wind power and PV power plants construction business during the Reporting Period.

For the year ended 31 December 2025, the revenue of the operation of wind power and PV power plants segment was RMB2,682.82 million, representing an increase of RMB333.12 million or 14.18% from RMB2,349.70 million in the corresponding period of last year, which was mainly attributable to an increase in the scale of operation projects of the Group's wind power and PV power plants that have generated electricity during the Reporting Period, resulting in a corresponding increase in power generation.

For the year ended 31 December 2025, the revenue of the electrical equipment segment was RMB3,330.21 million, representing an increase of RMB277.24 million or 9.08% from RMB3,052.97 million in the corresponding period of last year, which was mainly attributable to the increase in the sales of the Group's electrical equipment during the Reporting Period.

Cost

For the year ended 31 December 2025, the costs incurred by the Group was RMB13,833.39 million, representing a decrease of RMB6,018.23 million or 30.32% from RMB19,851.62 million in the corresponding period of last year, which was mainly attributable to the significant decline in the sales of the Group's polysilicon during the Reporting Period. The costs incurred by each business segment is as follows:

For the year ended 31 December 2025, the cost incurred by the polysilicon segment was RMB4,324.88 million, representing a decrease of RMB5,808.30 million or 57.32% from RMB10,133.18 million in the corresponding period of last year, which was mainly attributable to the significant decline in the sales of the Group's polysilicon during the Reporting Period.

For the year ended 31 December 2025, the cost incurred by the construction of wind power and PV power plants segment was RMB4,736.99 million, representing a decrease of RMB1,007.86 million or 17.54% from RMB5,744.85 million in the corresponding period of last year, which was mainly due to the decrease in the scale of wind power and PV power plants construction projects of the Group, resulting in a corresponding decrease in cost during the Reporting Period.

For the year ended 31 December 2025, the cost incurred by the operation of wind power and PV power plants segment was RMB1,299.62 million, representing an increase of RMB188.67 million or 16.98% from RMB1,110.95 million in the corresponding period of last year, which was mainly due to the increase in the scale of wind power and PV power plants operation projects of the Group which have generated electricity, resulting in a corresponding increase in cost during the Reporting Period.

For the year ended 31 December 2025, the cost incurred by the electrical equipment segment was RMB3,190.62 million, representing an increase of RMB782.90 million or 32.52% from RMB2,407.71 million in the corresponding period of last year, which was mainly due to the increase in the sales of the Group's electrical equipment and the provision for certain quality losses during the Reporting Period, resulting in a corresponding increase in cost.

Gross profit and gross profit margin

For the year ended 31 December 2025, the gross profit of the Group was RMB1,421.11 million, representing an increase of RMB59.75 million or 4.39% from RMB1,361.36 million in the corresponding period of last year. The comprehensive gross profit margin for the year ended 31 December 2025 was 9.32%, representing an increase of 2.90 percentage points from 6.42% in the corresponding period of last year.

Selling expenses

For the year ended 31 December 2025, the selling expenses of the Group were RMB698.82 million, representing an increase of RMB13.21 million or 1.93% from RMB685.61 million in the corresponding period of last year.

Administrative expenses

For the year ended 31 December 2025, the administrative expenses of the Group were RMB881.68 million, representing a decrease of RMB296.62 million or 25.17% from RMB1,178.30 million in the corresponding period of last year, which was mainly due to the decrease in staff remuneration and other administrative expenses based on the strengthened cost control of the Group and no share-based payment expenses incurred as the employee share ownership scheme had been terminated during the Reporting Period.

R&D expenses

For the year ended 31 December 2025, the R&D expenses incurred by the Group were RMB369.02 million, representing an increase of RMB1.99 million or 0.54% from RMB367.03 million in the corresponding period of last year.

Financial expenses

For the year ended 31 December 2025, the financial expenses of the Group were RMB612.36 million, representing an increase of RMB10.73 million or 1.78% from RMB601.63 million in the corresponding period of last year.

Investment income

For the year ended 31 December 2025, the investment income of the Group was RMB1,083.65 million, representing an increase of RMB316.31 million or 41.22% from RMB767.34 million in the corresponding period of last year, which was mainly due to the gains realized from the two thermal power plants in which the Group has equity participation and the gains realized from the disposal of certain PV power and wind power plants by the Group during the Reporting Period.

Income tax expenses

For the year ended 31 December 2025, the income tax expenses of the Group were RMB244.88 million, as compared to the income tax expenses of RMB-35.63 million in the corresponding period of last year, which was mainly due to the recognition of deferred income tax assets by the Group based on deductible losses in the corresponding period of last year.

Net loss attributable to shareholders of the listed company

For the year ended 31 December 2025, the net loss attributable to shareholders of the listed company was RMB1,205.48 million, representing a loss reduction of RMB2,699.40 million as compared with that of RMB3,904.88 million in the corresponding period of last year, which was mainly due to the reduced loss from the Group's polysilicon business through reasonable arrangement of production plans, implementation of lean management and cost-reduction and efficiency-enhancement initiatives, as well as the investment income realized from the two thermal power plants in which the Group has equity participation during the Reporting Period.

Profit or loss attributable to non-controlling interests

For the year ended 31 December 2025, the net loss attributable to non-controlling interests of the Group was RMB128.65 million, representing a loss reduction of RMB10.21 million as compared with net loss attributable to non-controlling interests of RMB138.86 million in the corresponding period of last year.

Cash flows

Net cash flow generated from operating activities

For the year ended 31 December 2025, the net cash outflow generated from operating activities of the Group was RMB2,115.73 million, as compared to the net inflow of RMB1,754.58 million in the corresponding period of last year, which was mainly due to the significant decrease in the sales of the Group's polysilicon, the significant drop in sales revenue and sales payment collection being less than operating expenses during the Reporting Period.

Net cash flow generated from investing activities

For the year ended 31 December 2025, the net cash outflow from investing activities of the Group was RMB2,900.97 million, representing a decrease of RMB6,599.06 million or 69.46% from RMB9,500.03 million in the corresponding period of last year, which was mainly due to the maturity of the Group's deposit-based financial products and the receipt of investment returns during the Reporting Period.

Net cash flow generated from financing activities

For the year ended 31 December 2025, the net cash inflow generated from financing activities of the Group was RMB5,521.86 million, representing an increase of RMB4,150.37 million or 302.62% from RMB1,371.49 million in the corresponding period of last year, which was mainly due to the capital injection received by the Group's subsidiaries, proceeds from the issuance of asset-backed special plans and the increase in borrowings by the Group during the Reporting Period.

Operation fund

	As at 31 December 2025	As at 31 December 2024
Balance of cash and cash equivalents at the end of the period *(RMB)*	**6,005,238,095.67**	5,494,514,947.49
Gearing ratio*	**40.96%**	30.55%
Inventory turnover rate *(times)*	**2.77**	4.74
Inventory turnover days *(days)*	**129.80**	76.01

* Gearing ratio was calculated as net debt divided by total equity, where net debt is total interest-bearing liabilities less restricted cash and cash and cash equivalents.

As at 31 December 2025, the balance of cash and cash equivalents at the end of the period of the Group was RMB6,005.24 million (31 December 2024: RMB5,494.51 million).

The required capital fund for the construction and operation of wind power and PV power plants in which the Group is engaged generally accounts for 20%–30% of the total investment of a project, the rest of which is mainly bank loans that could materially affect the Group's gearing ratio.

As at 31 December 2025, the gearing ratio of the Group was 40.96% while that as at 31 December 2024 was 30.55%.

The Group's wind power and PV power plants under construction and completed pending for transfer were included in the inventory item, and whether the wind power and PV power plants can be transferred in time is significantly important for the Group's inventory turnover rate and turnover days.

The inventory turnover rate and turnover days of the Group were 2.77 times and 129.80 days respectively as at 31 December 2025, respectively, and the inventory turnover rate and turnover days of the Group were 4.74 times and 76.01 days respectively as at 31 December 2024.

By virtue of the stable cash inflow from the daily business operations and financing business, the Group has sufficient resources to support future expansion.

Capital expenditure

For the year ended 31 December 2025, the major capital expenditure of the Group included: a total of RMB5,480.75 million of expenditure for the purchases of fixed assets and intangible assets as well as other long-term assets.

Pledge of assets

As at 31 December 2025, the Group's long-term borrowings with an amount of RMB13,184.53 million were secured or pledged by the Group's assets including inventories, fixed assets, construction in progress and receivables, and there were no secured borrowings for the period.

Capital liquidity

As at 31 December 2025, current assets of the Group amounted to RMB26,306.51 million, among which, RMB9,246.57 million was monetary capital; RMB6,561.55 million was inventories and contract assets; RMB7,393.15 million was accounts receivable, notes receivable and receivables financing, primarily consisting of the receivables of construction and operation of wind power and PV power plants and receivables of sales of electrical equipment; and RMB2,801.69 million was other receivables, prepayments and other current assets, primarily consisting of large certificates of deposit, deductible value-added tax and prepayments, etc. As at 31 December 2025, current liabilities of the Group amounted to RMB22,883.86 million, including RMB15,031.22 million of accounts payable and notes payable, primarily consisting of purchase of equipment, laboring and materials, etc. necessary for daily operations; RMB2,217.00 million of contract liabilities, primarily consisting of construction of wind power and PV power plants, and the prepayments for sales of polysilicon; RMB774.57 million of other payables,

primarily consisting of deposits payable and deposits, temporary receipts and expenses payable, etc.; RMB195.47 million of taxes payable, primarily consisting of various taxes to be paid; and RMB1,131.34 million of short-term borrowings. As at 31 December 2025, apart from RMB569.10 million of the Group's borrowings which bore fixed interest rates, the remaining borrowings bore interest at floating rates.

As at 31 December 2025, net current assets of the Group amounted to RMB3,422.65 million, representing an increase of RMB481.31 million as compared with the net current assets of RMB2,941.34 million as at 31 December 2024. The current ratio was 114.96% as at 31 December 2025, representing an increase of 3.51 percentage points as compared with the current ratio of 111.45% as at 31 December 2024. Restricted cash amounted to RMB3,228.83 million, mainly including deposit-based financial products and bill deposits.

Credit risk

The Group manages credit risk by portfolio classification. Credit risk mainly arises from monetary capital, notes receivable, accounts receivable, receivables financing, other receivables, contract assets, long-term receivables, etc. In order to reduce credit risk, the Group has set up a dedicated department to determine credit limits, conduct credit approval, and perform other monitoring procedures to ensure necessary measures are taken to recover overdue debts. In addition, the Group reviews the recovery of each item of receivables at each balance sheet date, to ensure sufficient bad debt provisions are made on unrecoverable items. Therefore, the Group's management believes that the Group's credit risk has been significantly reduced. The Group's credit risk related to liquidity was relatively low as its liquidity was deposited in banks with high credit rating and TBEA Group Finance Co., Ltd. (特變電工集團財務有限公司).

Foreign exchange risk

The Group's foreign exchange exposure is mainly related to US dollars, Euro, Indian Rupee and Philippine Peso, etc. Except that individual subsidiaries of the Group conduct settlements in US dollars and other foreign currencies, other main business operations of the Group are denominated and settled in RMB. As at 31 December 2025, some of the Group's assets and liabilities had balances in US dollars, Euro, Indian Rupee and Philippine Peso, etc. The foreign exchange exposure of balances in such foreign currencies is minimal, and will not have a material adverse impact on the financial position of the Group. The Group adopts reasonable hedging instruments and products, adheres to the principle of exchange rate hedging, clarifies the management of target exchange rates, and appropriately conducts businesses such as spot and forward settlements to avoid the risk of exchange rate fluctuations.

Interest rate risk

The Group's interest rate risk arises from interest-bearing liabilities such as bank borrowings and bonds payable. Financial liabilities at floating interest rates expose the Group to cash flow interest rate risk, and financial liabilities at fixed interest rates expose the Group to fair value interest rate risk. The Group determines the relative ratio of its fixed rate and floating rate contracts based on prevailing market conditions.

Contingent liabilities

As at 31 December 2025, the Group did not have any material contingent liabilities.

Material acquisition and disposal of assets, subsidiaries, associates and joint ventures

During the Reporting Period, the Group had no other material acquisition and disposal of assets, subsidiaries, associates and joint ventures, except for the equity interests transfer of wind power and PV power plant projects developed and constructed by the Group in the ordinary course of business.

Future plans for material investment or capital asset

The Group has no future plans for material investment or capital asset as at the date of this report.

Significant investments

During the Reporting Period, apart from the Group's investment in the construction of wind power and PV power plants in the ordinary course of business, the Group has no other significant investments.

Events after the balance sheet date

After 31 December 2025 and up to the date of this report, there were no significant events which would have a significant impact on the Group as a whole after the balance sheet date of the Group.

IV. PROSPECTS

Market Prospects

According to the Renewable Energy Report 2025 released by the International Energy Agency (IEA), it is estimated that the annual installed capacity of global renewable energy will continue to grow from 750GW in 2025 to nearly 890GW in 2030. From 2025 to 2030, it is expected that the global installed capacity of renewable energy will increase by approximately 4,600GW. By 2030, the installed capacity of PV and wind energy is expected to account for 96% of renewable energy installed capacity, with variable renewable energy generation reaching 30% of global electricity supply.

With the deepening global consensus on energy transition, demand for installed wind power and PV capacity is steadily increasing, while new sectors such as energy storage and hydrogen energy are accelerating rapidly, new energy will continue to play a crucial role in ensuring energy security, upgrading industrial structures, and driving green economic growth, offering vast market space and promising development opportunities.

Business Plan in 2026

Amid the overall positive long-term development trend of renewable energy, the industry chain faces persistent competitive pressures due to the current slowdown in global new energy growth coupled with structural imbalances in PV supply and demand. The "15th Five-Year Plan" represents a critical window to navigate industry cycles and achieve transformative advancement. In 2026, the Group will stay closely aligned with industry trends, proactively respond to sector transformations, focus on its core business, and diligently strengthen its capabilities. The Group will keep in mind that "quality is the lifeline, cost is the survival line, and labor efficiency is the development line," treating quality, cost, and labor efficiency as fundamental pathways to forge core competitiveness. This approach will enable the Group to achieve steady operations and high-quality sustainable development.

1. Safety Production Plan

The Group insists on "people and safety-oriented" as its management philosophy, anchoring core objectives of "strengthening foundations, addressing weaknesses, enhancing capabilities, and ensuring outcomes" to establish a comprehensive risk early-warning and prevention system with a zero-tolerance approach to fortify safety standards. Firstly, the Group will adhere to enhancing foundational management by establishing a tiered safety management system tailored to different business sectors and levels in accordance with industry standards while strengthening specialized teams to promote the organic integration of human and technical security measures. Secondly, the Group will take safety risk management and control as its core task, strengthen risk identification at an earlier stage, and advance risk monitoring and early warning. Thirdly, the Group will focus on high-risk sectors and emerging business models, leveraging big data and other technologies to enhance intrinsic safety through digital and intelligent means, achieving precise and efficient oversight to ensure safety and compliance become the "guardian" of high-quality development. Fourthly, the Group will enhance employees' comprehensive capabilities in areas such as process equipment operation, risk identification and hidden hazard investigation, and operational control, supported by employee skill enhancement, to ensure the effective implementation of safety management requirements. Fifthly, the Group will strengthen its emergency response mechanisms and conduct regular drills to prevent major safety incidents, resolutely eliminate systemic risks, fortify the defense line for production safety objectives, and ensure steady and sustainable development of the Group's operations.

2. Polysilicon Production Plan

The Group will continue to focus on customers, advancing lean production centred on "enhancing quality while reducing consumption, decreasing costs while increasing efficiency" to achieve breakthroughs and steady development. Firstly, further strengthening the efficient coordination mechanism across "production, sales and quality", the Group will establish a "value symbiosis" ecosystem, precisely translating customer quality requirements into internal production standards. Secondly, deepening meticulous management, the Group will establish a comprehensive quality and cost control system covering all stages of the production process, rigorously managing to reduce production costs while enhancing the precision and efficiency of process quality control. Thirdly, continuously advancing intelligent upgrades, the Group will deepen data governance and system integration, systematically driving a comprehensive transformation towards automated production control, standardised operational execution, lean operational management, and intelligent equipment management, thereby providing a solid foundation for stable and efficient production.

3. Plan for Development, Construction, Operation of Wind Power and PV Resources and Manufacturing of Key Equipment

The Group will steadfastly pursue its core strategy of "dual-drive of power electronics manufacturer and green smart energy service provider" and "dual-circulation within domestic and international markets". Firstly, fully leveraging the strategic positioning of the energy services sector as a ballast, the Group will focus on value creation, investment returns and asset preservation. It will advance three core initiatives of project development, cost reduction and efficiency enhancement, and operator profitability improvement to optimise new energy resource development, operational business and asset structure, thereby elevating corporate operational efficiency and profitability. Secondly, accelerating the transformation from equipment supplier to system solutions and energy service provider, the Group will focus on the entire "generation, grid, load and energy storage" chain to comprehensively enhance the competitiveness of inverters, converters, and energy storage products. It will prioritise expanding diversified business models such as direct green power connection, zero-carbon campuses, and independent energy storage power stations, strengthening integrated capabilities in design, investment operations, and energy efficiency management, and develop exemplary FDC transmission projects to achieve systematic deployment and efficient coordination, ensuring high-quality delivery of tasks at every stage. Thirdly, seizing structural market opportunities arising from the growth of the domestic and international energy storage sectors, the application of FDC Converter Valves in domestic ultra-high voltage scenarios, overseas grid upgrades, and PV expansion in emerging international markets, the Group will intensify channel development efforts both domestically and internationally to achieve coordinated growth across both markets while expanding market growth potential and enhancing the Group's profitability.

4. Technology Innovation Plan

The Group will focus on quality improvement, cost reduction and efficiency enhancement to deepen development, tap into innovation potential, enrich technological achievements, forge core competitive advantages of the enterprise, and forge ahead in industry transformation. Firstly, in terms of polysilicon products, the Group will focus on continuously optimising its product portfolio, increasing the proportion of high-value-added products, reducing production costs, and achieving revenue growth and efficiency gains. It will focus on key technologies and process breakthroughs,

further reducing energy consumption and stabilising parameters through deepening the application of intelligent production scenarios. Secondly, in terms of energy services, the Group will persistently establish multi-scenario demonstration benchmarks for new energy applications, advance the implementation of green and low-carbon power supply solutions in high-energy-consumption sectors alongside demonstration project construction, and continuously refine digital intelligent energy operation solutions to achieve a full-process closed-loop for intelligent energy monitoring, operation and maintenance, management, and trading. Thirdly, in terms of key equipment manufacturing, the Group will anchor its efforts in core scenarios such as R&D management, lean production, and quality control. It will persistently increase R&D investment, deepen collaborative innovation across production, learning, scientific research, and practical application. By enhancing solar photovoltaic, energy storage, flexible interaction, and direct current distribution solutions alongside intelligent factory upgrades, the Group will improve product quality and efficiency. The Group will establish experimental platforms encompassing diverse application scenarios to accelerate core product development and iteration, thereby advancing product quality targets and enhancing reliability.

5. Human Resources Plan

The Group will adhere to the objective of "building core competitiveness", closely focusing on strategic development and business planning, concentrating on core business shortcomings, talent team building, organizational effectiveness optimization and professional skills cultivation to drive efficient synergy between business and talent development. Firstly, promoting organisational flattening reforms, the Group will establish process-oriented structures centred on core businesses, breaking down operational and base-level barriers to achieve centralised resource allocation and deployment. Secondly, optimising talent structure, the Group will conduct regular talent assessment. By systematically recruiting talent to drive strategic team building, the Group will strengthen talent gaps in areas such as technological R&D, production and equipment management, and marketing, thereby supporting the enterprise's innovative development framework. Thirdly, training and professional competency assessments will be conducted based on role requirements. The Group will implement systematic measures to enhance alignment between talent capabilities and business needs, while continuously evaluating application outcomes and delivering practical training, thereby elevating employees' job performance capabilities and achieving synchronised growth between corporate development and staff advancement.

V. RISK FACTORS AND RISK MANAGEMENT

1. Risks associated with Changes in Policies

Driven by the active implementation of global renewable energy development plans and carbon neutrality goals, the global new energy industry has maintained rapid growth in the past decade. With the rapid iteration of technologies in the new energy industry, the doubling of market size and the continuous decline in costs, the prosperity cycle in global new energy industry continues to expand, but government's policy guidance and support in the new energy industry will continue to significantly influence the industry's development trajectory. Any significant adjustment to the policies for the new energy industry in the future may have an adverse impact on the Group's operations and profitability.

The Group will continue to closely follow up and analyze the introduction of new policies and their impact, and adopt effective and proactive response strategies based on the actual development to minimize the adverse impact of policy changes on the Group.

2. Risks associated with Technology and New Product Substitution

The polysilicon production process currently adopted by the Group is the improved Siemens approach. With the continuous development of PV industry in the future, the technology route may undergo significant changes. If there is a major subversion of the polysilicon production technology or amorphous silicon PV products become the mainstream of the market, there may be risks associated with technology or new product substitution.

The Group will further establish and improve its technology innovation system, continuously enhance its technology R&D capabilities, strengthen talent building of its technology R&D team, fully explore the advantages of improved Siemens approach in technology and processes to reduce the production costs, improve the product quality as well as Group's competitiveness and profitability.

3. Risks associated with Intensified Market Competition

Under the historic opportunity of "dual carbon" goals and energy transformation, renewable energy has transitioned from an "alternative energy" to a "dominant energy". Despite the vast potential and favorable opportunities in the global new energy industry, the current slowdown in global new energy development growth, combined with the structural imbalance between supply and demand in the PV industry, has led to increasingly fierce market competition with the profit margins of products and services being further compressed. Major PV manufacturer have experienced long-term losses, and enterprises which fall behind in production capacity and lack competitiveness will be phased out at an accelerated pace. If competition in the new energy market continues to intensify, the contradiction between supply and demand cannot be alleviated and the involution competition continues, it could impact the Group's market share and profitability.

The Group will actively respond to the market challenges, leverage on its strengths, provide customers with high-quality, low-cost and competitive products and services, and continuously optimize its business structure to further consolidate and enhance its industry position.

4. Risk associated with Revenue Fluctuations in New Energy Power Generation Projects

In January 2025, the NDRC and the NEA jointly issued the Notice on Deepening the Market-oriented Reform of New Energy Feed-in Tariff to Promote High-quality Development of New Energy* 《關於深化新能源上網電價市場化改革促進新能源高質量發展的通知》, which proposes a comprehensive market-oriented reform on the on-grid tariff of new energy, and implements different price settlement mechanisms for existing and incremental projects to be put into production scheduled on 1 June 2025. New energy power generation will gradually shift from "quantity and price guaranteed" to "market bidding". In this context, future supply and demand fluctuations in the new energy power market will affect new energy projects generation consumption capacity and transaction prices of power, and thus the uncertainty in revenue of power generation projects of new energy will increase, at the same time, it is more difficult to make investment decisions on incremental new energy projects, which may have a certain impact on the operating results of the Group.

The Group will build and develop a professional new energy resource development and operation team to enhance control over the cost per kilowatt hour in the whole life cycle of project development, design, construction and operation. The Group will conduct in-depth research on the trading mechanism of the electricity market, and use technologies such as informatization to improve the accuracy of power forecasting and power generation forecasting, so as to enhance trading capabilities and reduce trading risks. The Group will diversify the market risks by signing long-term power purchase agreements with electricity users and expanding sales channels. At the same time, The Group will design more reasonable trading strategies for medium-and long-term power trading, spot trading, green power trading, or carbon asset trading, strive to improve project returns, and guarantee the revenue level of new energy resource development and operated power plants of the Group.

5. Internationalization Risk

In recent years, with turbulent international situation, intensifying international trade frictions, increasing uncertainties in the international environment, the PV industry has become an advantageous and strategic emerging industry in China, and is also facing a number of uncertainties in the countries where its direct or indirect overseas operations are located, such as the political, legal, economic environment, and local culture, which may have a certain impact on the operation of the Group.

The Group will carry out a comprehensive internationalization risk screening from various aspects such as politics, law, economy and culture through continuous research of overseas policies in the new energy industry and the international economic situation, and after taking into account its business model, strategic planning, etc., strengthen risk management and compliance system construction, so as to actively address the impact of internationalization risk on the Group.

Profile of Directors, Supervisors and Senior Management

DIRECTORS

Executive Directors

Mr. Huang Hanjie, aged 47, currently serves as chairman and executive Director of the Company and chairman of Sunoasis. During the reporting period, he served as a non-executive Director of the Company. He holds a master's degree and is a senior accountant. He previously served as deputy head, head, deputy chief accountant, vice-president, chief executive officer, director and president of the finance department at TBEA, as well as chairman of the supervisory board and director of Xinjiang Joinworld. Mr. Huang served as a non-executive Director of the Company from June 2021 to November 2025, and has served as chairman and executive Director of the Company since November 2025.

Mr. Nan Xinjian, aged 45, currently serves as an executive Director and general manager of the Company. He holds a bachelor's degree, and possesses the legal professional qualification in China and is a mid-level engineer in chemical engineering. He previously served as a clerk of legal department and the deputy director of legal department of Xinjiang transformer factory of TBEA, the director of the legal department of the Company, the director of the legal department, general counsel, assistant to the general manager, deputy general manager and chief compliance officer of Xinjiang Tianchi. Mr. Nan has served as an executive director and general manager of the Company since January 2026.

Ms. Huang Fen, aged 48, currently serves as an executive Director and the chief accountant of the Company. She holds a bachelor's degree and is a senior accountant, Chinese certified public accountant, and U.S. certified management accountant. She previously served as the cashier and cost accountant of the finance department and head of the audit and supervision department of Xinjiang transformer factory of TBEA* (特變電工新疆變壓器廠), and deputy financial director and chief accountant of Xinjiang Tianchi, etc. Ms. Huang has served as the chief accountant of the Company since March 2025 and as an executive Director of the Company since April 2025.

Mr. Zhang Jianxin, aged 53, served as chairman and executive Director of the Company, and the general manager of Sunoasis during the Reporting Period. Mr. Zhang holds a PhD degree, and he is also an economist of economic management. Mr. Zhang worked as the director of Investment and Development Department, and the deputy chief economist of TBEA, etc. Mr. Zhang has served as an executive Director of the Company from February 2008 to November 2025, and as chairman of the Company from July 2012 to November 2025.

Ms. Kong Ying, aged 50, served as an executive Director and the deputy general manager of the Company during the Reporting Period. Ms. Kong holds a bachelor's degree and is a deputy senior engineer of petrochemical engineering. Ms. Kong was branch factory manager of Jiangsu Zhongneng Silicon Technology Development Co., Ltd.* (江蘇中能硅業科技發展有限公司), the quality technical director of Xinjiang GCL New Energy Material Technology Co., Ltd.* (新疆協鑫新能源材料科技有限公司), the deputy general manager of Hohhot Outong Energy Technology Co., Ltd.* (呼和浩特歐通能源科技有限公司), TBEA's deputy chief engineer of polysilicon industry and the general manager and chief engineer of the polysilicon division. Ms. Kong had served as an executive Director and the deputy general manager of the Company from June 2024 to March 2025.

Mr. Hu Weijun, aged 42, served as an executive Director of the Company during the Reporting Period, and currently serves as director and general manager of Silicon New Material. Mr. Hu holds a bachelor's degree and is a deputy senior engineer with a major in chemical engineering and a certified safety engineer. Mr. Hu was the head of the production department, the workshop director of the polysilicon business branch, the director of the production quality department, the director of the enterprise management department of the Company, and the deputy general manager of Silicon New Material. Mr. Hu has served as an executive Director of the Company from June 2024 to January 2026.

Non-executive Directors

Mr. Zhang Xin, aged 64, currently serves as a non-executive Director of the Company. Mr. Zhang obtained associate degree, and he is an electrical engineer as well as a senior engineer of machinery and electronics. Mr. Zhang currently serves as the chairman of TBEA, the director of Xinjiang Joinworld, the director of Xinjiang Tebian, etc. Mr. Zhang worked as factory manager of Changji City Special Transformers Factory, the chairman of TBEA Xinjiang Silicon Industry Co., Ltd. (特變電工新疆硅業有限公司) (the predecessor of the Company), the chairman of Sunoasis, etc. Mr. Zhang has served as a non-executive Director of the Company since February 2008.

Mr. Yang Xiaodong, aged 49, currently serves as a non-executive Director of the Company. He served as an executive Director and general manager of the Company during the Reporting Period. Mr. Yang holds a PhD degree and is a professorate senior engineer. He currently serves as chairman of Xinjiang Tianchi and previously served as the head of the corporate management department and the head of manufacturing department of TBEA Shenyang Transformer Group Co., Ltd.* (特變電工瀋陽變壓器集團有限公司), the general manager of TBEA Kangjia Transformer Co., LTD* (特變電工康嘉互感器有限責任公司) and the general manager of Xinjiang Tianchi. Mr. Yang has served as the general manager of the Company from June 2024 to January 2026, as an executive Director of the Company from September 2024 to January 2026, and served as a non-executive Director of the Company since January 2026.

Mr. Hu Youcheng, aged 53, currently serves as a non-executive Director of the Company. He holds a doctoral degree and is a senior economist. He currently serves as a vice president of TBEA, and previously served as a staff member of the manufacturing department of the Bureau of Prison Management of Xinjiang Uygur Autonomous Region, the head of general manager office, an assistant to general manager, the president of labour union of TBEA, etc. Mr. Hu has served as a non-executive director of the Company since December 2025.

Independent Non-executive Directors

Mr. Cui Xiang, aged 65, currently serves as an independent non-executive Director of the Company. Mr. Cui holds a PhD degree and the title of professor. Mr. Cui currently serves as a professor and doctoral supervisor of North China Electric Power University, etc. He has won the Outstanding Contribution Award for China Electric Power Science and Technology* (中國電力科學技術傑出貢獻獎), and the honorary titles including "Significant Contribution Expert for State Grid UHV DC Demonstration Project"* (國家電網特高壓直流示範工程重要貢獻專家), and "Special Contribution Expert for State Grid UHV AC Test Demonstration Project"* (國家電網特高壓交流試驗示範工程特殊貢獻專家). Mr. Cui has served as an independent non-executive Director of the Company since June 2021.

Mr. Chen Weiping, aged 69, currently serves as an independent non-executive Director of the Company. Mr. Chen holds a bachelor's degree and is a professor-level senior engineer. Mr. Chen currently serves as a re-appointed technical expert of Hualu Engineering & Technology Co., Ltd. (華陸工程科技有限責任公司), and previously served as an engineer, senior engineer, deputy chief engineer, chief engineer of the medical department, director of the process office, professor-level senior engineer, etc. in the Sixth Design Institute of the Ministry of Chemical Industry* (化工部第六設計院) and China Hualu Engineering Company* (中國華陸工程公司) (currently known as Hualu Engineering & Technology Co., Ltd.). Mr. Chen was awarded the honorary titles including "Master of Engineering Survey and Design in the Petroleum and Chemical Industry"* (石油和化工行業工程勘察設計大師), "Model Worker of Shaanxi Province"* (陝西省勞動模範), "Master of Engineering Survey and Design in Shaanxi Province"* (陝西省工程勘察設計大師), and "Construction Craftsman for the 70th Anniversary of the Founding of China"* (中國成立七十周年建築工匠). Mr. Chen has served as an independent non-executive Director of the Company since June 2021.

Mr. Tam, Kwok Ming Banny, aged 63, currently serves as an independent non-executive Director of the Company. Mr. Tam is a certified public accountant in Hong Kong, a Chartered Certified Accountant, and a practising certified public accountant in Hong Kong. Mr. Tam currently serves as a partner of YATA Certified Public Accountants. He previously served as an auditor, audit manager, and partner of Ho and Ho & Company and a practicing director of ShineWing (HK) CPA Limited. Mr. Tam has served as an independent non-executive Director of the Company since June 2021.

Mr. Tam currently also serves as an independent director of Inner Mongolia Yitai Coal Co., Ltd.* (內蒙古伊泰煤炭股份有限公司) (stock code: 900948.SH) since May 2023.

SUPERVISORS

Mr. Chen Qijun, aged 55, served as chairman of Supervisory Board of the Company during the Reporting Period. He obtained an associate degree, and is a senior economist of economic management, senior enterprise risk manager and senior credit manager. Mr. Chen is now serving as the secretary of the disciplinary inspection committee and chief risk control compliance officer of TBEA, the director of Xinjiang Joinworld. He worked as the deputy factory manager and executive deputy factory manager of Xinjiang Transformers Factory of TBEA, the general manager of TBEA Shandong Luneng Taishan Cable Co., Ltd.* (特變電工山東魯能泰山電纜有限公司), chairman of the supervisory board of TBEA, and chairman of the supervisory board of Xinjiang Joinworld, etc. Mr. Chen has served as a Supervisor of the Company from June 2015 to December 2025.

Mr. Hu Shujun, aged 53, served as a supervisor of the Company during the Reporting Period. He obtained a master's degree and is a senior electrical engineer. Mr. Hu now serves as chairman and general manager of Xinjiang Tebian, a director of TBEA, a director of Xinjiang Communications Construction Group Co., Ltd. (新疆交通建設集團股份有限公司) (Stock code: 002941.SZ), etc. He worked as iron core workshop director, head of production department, assistant to the factory manager and deputy factory manager of TBEA Xinjiang Transformers Factory, and the assistant to the general manager and deputy general manager of TBEA. Mr. Hu has served as a Supervisor of the Company from June 2015 to December 2025.

Mr. Han Shu, aged 48, served as a supervisor of the Company during the Reporting Period. He holds a bachelor's degree and is a qualified lawyer. He served as the Supervisor and the director of legal affairs department of TBEA during the Reporting Period. He previously served as deputy director of legal affairs department and the director of risk management department of TBEA Cable Factory in Xinjiang, and the deputy director of legal affairs department of TBEA, etc. Mr. Han has served as a Supervisor of the Company from June 2018 to December 2025.

Mr. Guo Hao, aged 47, served as an employee representative Supervisor of the Company during the Reporting Period. He holds a master's degree and is a qualified lawyer. He currently serves as the chief compliance officer of Sunoasis. He previously served as a legal director, deputy director and director of legal affairs department of Sunoasis. Mr. Guo has served as an employee representative Supervisor of the Company from June 2021 to December 2025.

Mr. Wang Shufeng, aged 48, served as employee representative supervisor and secretary of the discipline inspection commission of the Company during the Reporting Period. He holds a master's degree and is a deputy senior engineer. He currently serves as the secretary of the discipline inspection commission and chief compliance officer of Xinjiang Tianchi. He previously served as the deputy chief engineer and chief engineer of Xinjiang Electric Power Construction Co., Ltd.* (新疆電力建設有限公司), the deputy project chief engineer of Xinjiang Sifang Boiler Co., Ltd.* (新疆四方鍋爐有限公司), the manager of engineering management department of Xinjiang Midong Thermal Power Plant of Shenhua Shendong Power Co., Ltd* (神華神東電力有限責任公司新疆米東熱電廠), the manager of engineering audit division of audit department of TBEA, the department head of engineering management department, the department head of audit department, the deputy audit director, and the audit director of Xinjiang Tianchi. Mr. Wang has served as the employee representative supervisor of the Company from February 2025 to December 2025.

Mr. Cao Huan, aged 42, served as an employee representative Supervisor of the Company during the Reporting Period. He obtained bachelor's degree. He worked as assistant to the director, deputy director and director of audit department of the Company, the secretary of discipline inspecting department and chief risk control compliance officer, etc. Mr. Cao has served as an employee representative Supervisor of the Company from June 2015 to February 2025.

SENIOR MANAGEMENT

Mr. Nan Xinjian, aged 45, currently serves as executive Director and general manager of the Company. Biographical details of Mr. Nan are set out on page 34 of this annual report.

Ms. Huang Fen, aged 48, currently serves as executive Director and the chief accountant of the Company. Biographical details of Ms. Huang are set out on page 34 of this annual report.

Mr. Gan Xinye, aged 50, currently serves as a deputy general manager of the Company. He holds a PhD degree and is a deputy senior engineer. Mr. Gan worked as the director of Inner Mongolia Office of TBEA Heng-yang Transformer Co., Ltd.* (特變電工衡陽變壓器有限公司), head of strategic development department, deputy general manager of marketing department, assistant to the general manager of the Company, etc. Mr. Gan has served as a deputy general manager of the Company since December 2012.

Mr. Zhang Kaifan (張凱帆), aged 40, currently serves as the deputy general manager of the Company. He holds a master's degree and is an intermediate political engineer and an intermediate human resources management professional. He has held positions such as assistant to the chairman of Mercury in North America, secretary to the chairman of TBEA, assistant to the director of the president's office, deputy director, assistant to the general manager and vice chairman of the trade union of Xinjiang Tianchi, and assistant to the general manager of the Company. Mr. Zhang has served as the deputy general manager of the Company since 27 March 2026.

Mr. Li Dan, aged 48, is currently the deputy general manager of the Company. He holds a PhD degree and is a chief senior economist and a senior human resource manager. He previously served as the assistant director of the College of International Cultural Exchange of Xinjiang University, the manager of the president's office and the director of the training institute of TBEA, the director of the human resources department, the assistant to the general manager, and the deputy general manager of human resources department, etc. Mr. Li has served as the deputy general manager of the Company since March 2025.

Mr. Liu Xiubing, aged 48, currently serves as the safety director of the Company. He holds a bachelor's degree and is a registered safety engineer and a senior engineer. He has held positions such as the manager of the safety and environmental management department of Zhejiang Huahai Pharmaceutical Co., Ltd.* (浙江華海藥業股份有限公司), the director of the safety and environment management department, assistant to the general manager and the deputy general manager of the Company. Mr. Liu has served as the safety director of the Company since 27 March 2026.

Ms. Zhang Juan, aged 37, currently serves as the secretary to the Board and the joint company secretary of the Company. She holds a bachelor's degree, and is a Certified General Accountant of Canada (加拿大註冊會計師) and intermediate economist. Ms. Zhang served as a staff member in the securities department of TBEA and assistant to head of securities department of the Company, etc. Ms. Zhang has served as the secretary to the Board and the joint company secretary of the Company since June 2015.

Mr. Yang Xiaodong, aged 49, served as an executive Director and general manager of the Company during the Reporting Period. Biographical details of Mr. Yang are set out on page 39 of this annual report.

Ms. Kong Ying, aged 50, served as an executive Director and the deputy general manager of the Company during the Reporting Period. Biographical details of Ms. Kong are set out on page 38 of this annual report.

Mr. Zheng Weijie, aged 48, served as the chief accountant of the Company and the chief accountant of Sunoasis during the Reporting Period. He holds a bachelor's degree. Mr. Zheng worked as a director of the fund management center of TBEA and deputy chief accountant of Sunoasis, etc. Mr. Zheng has served as the chief accountant of the Company from June 2015 to March 2025.

Report of the Board of Directors

PRINCIPAL ACTIVITIES

The Group is principally engaged in the research and development, production and sale of high-purity polysilicon, the development, construction and operation of wind power and PV power plants and the research and development, manufacturing and sale of electrical equipment including inverters, SVG, energy-saving and FDC Converter Valves.

MANAGEMENT DISCUSSION AND ANALYSIS

The details of management discussion and analysis of the Company during the Reporting Period are set out on pages 14 to 33 of this annual report.

RESULTS

The audited results of the Group during the Reporting Period are set out in the Consolidated Statement of Income on pages 103 to 105. The financial position of the Group as at 31 December 2025 is set out in the Consolidated Balance Sheet on pages 96 to 99. The consolidated cash flows of the Group during the Reporting Period are set out in the Consolidated Statement of Cash Flows on pages 108 to 110. The discussion and analysis on result performances and the important factors affecting the results and financial position of the Group during the Reporting Period are set out in the Management Discussion and Analysis on pages 14 to 33 of this annual report.

SHARE CAPITAL

As of 31 December 2025, the structure of the issued share capital of the Company is as follows:

Classification of Shares	Par value per Share	Number of issued Shares	Percentage of number of issued Shares (%)
Domestic Shares	**RMB1.00**	**1,053,829,244**	**73.69**
H Shares	**RMB1.00**	**376,170,756**	**26.31**
Total		**1,430,000,000**	**100**

PROFITS DISTRIBUTABLE TO SHAREHOLDERS

As of 31 December 2025, the Company had profits distributable to shareholders of RMB19,436,115,451.59.

RESERVES

Details of movements in the reserves of the Company during the Reporting Period are set out in VI. 39 to the consolidated financial statements.

DIVIDEND POLICY

The Company may distribute dividends in cash or by other means that the Company considers appropriate. Any proposed distribution of dividends shall be determined by the Board and subject to Shareholders' approval. A decision to declare or to pay dividends and the amount of dividends will depend on a number of factors, including the Company's operating results, cash flow, financial position, payments by our subsidiaries of cash dividends to us, future prospects and other factors that the Directors may consider important. According to PRC law and the Articles of Association, the Company will pay dividends out of our profit after tax only after the Company has made the following allocations:

1. recovery of accumulated losses, if any;

2. allocations to the statutory common reserve fund equivalent to 10% of our after-tax profit as determined under PRC GAAP; and

3. allocations that are approved by the Shareholders at a general meeting, if any, to any common reserve fund.

PROFIT DISTRIBUTION AND FINAL DIVIDEND

In 2025, driven by the current slowdown in the global renewable energy sector coupled with structural imbalances in supply and demand within the photovoltaic industry, competition along the industrial chain remains intense. Under the guidance of national policies aimed at countering excessive competition, polysilicon prices faced downward pressure and fluctuated. Given that Xinte Energy remained in a state of loss throughout 2025, and that its production and operations will continue to face significant pressures and challenges in 2026, in order to safeguard the Company's cash flow, enhance its risk resilience, ensure the stability of production and operations, and maximise the interests of the Company and its shareholders, the Board proposes that retained earnings be utilised for the Company's operational development and that no final dividend be declared for the year ended 31 December 2025.

In the future, the Company will continue to take into account the Company's business development and various factors related to profit distribution, with the aim of benefiting both the Group's development and investor returns, and to share the results of the Group's continuous development with the broad investor base.

TAX REDUCTION AND EXEMPTION FOR THE HOLDERS OF H SHARES

Withholding and Payment of Enterprise Income Tax on behalf of Overseas Non-Resident Enterprises

Pursuant to the applicable provisions of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》) and its implementing rules, the Company will withhold and pay enterprise income tax at the rate of 10% when it distributes Final Dividend to non-resident enterprise holders of H shares (including any H shares registered in the name of HKSCC Nominees Limited).

Withholding and Payment of Individual Income Tax on behalf of Overseas Individual Shareholders

Pursuant to the applicable provisions of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得税法》) and its implementing rules as well as the Tax Notice, the Company will implement the following arrangements in relation to the withholding and payment of individual income tax on behalf of individual holders of H shares:

- For an individual holder of H shares who is a resident of Hong Kong or Macau or other country (region) that has signed a tax treaty with the PRC stipulating a rate of 10%, the Company shall withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H shares when distributing the final dividend;

- For an individual holder of H shares who is a resident of a country (region) which has signed a tax treaty with the PRC stipulating a rate of lower than 10%, the Company shall temporarily withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H shares while distributing the final dividend. In case the relevant individual holders of H shares are to apply for refund of the tax over-withheld, the Company will follow the Notice of Tax to handle the application of the relevant tax treaty benefits on their behalf. The qualifying shareholders are required to timely submit the written request for the Notice of Tax and all application materials to the H Share Registrar, Computershare Hong Kong Investor Services Limited; the Company will forward the received documents to the competent tax authorities for review, and if approved, the Company will assist in handling the refund of the over-withheld tax;

- For an individual holder of H shares who is a resident of a country (region) that has signed a tax treaty with the PRC stipulating a rate higher than 10% but lower than 20%, the Company shall withhold and pay the individual income tax at the applicable rate stipulated in the relevant tax treaty while distributing the final dividend for the individual holders of H shares; and

- For an individual holder of H shares who is a resident of a country (region) which has signed a tax treaty with the PRC stipulating a rate of 20% or an individual holder of H Shares who is a resident of a country (region) which has no tax treaty with the PRC or otherwise, the Company shall withhold and pay the individual income tax at the rate of 20% while distributing the final dividend for the individual holders of H shares.

Withholding and Payment of Enterprise Income Tax on behalf of Domestic Corporate Investors and Individual Income Tax on behalf of Domestic Individual Shareholders

Pursuant to the requirements of the Notice on the Tax Policies Concerning the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) and the Notice on the Tax Policies Concerning the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) published by the Ministry of Finance, the State Administration of Taxation and the CSRC, for the dividends obtained by domestic individual shareholders who invest in the Company's H shares through the Hong Kong Stock Connect, the Company shall withhold and pay individual income tax at a rate of 20%; for the dividends obtained by domestic corporate investors who invest in the company's H shares through the Hong Kong Stock Connect, the Company does not withhold and pay the corporate income tax, and the tax payable shall be reported and paid by the domestic corporate investors themselves.

CLOSURE OF REGISTER OF MEMBERS

In order to determine shareholders who are entitled to attend and vote at the annual general meeting to be held on Tuesday, 16 June 2026, the register of members of the Company will be closed from Thursday, 11 June 2026 to Tuesday, 16 June 2026, both days inclusive, during which no transfer of shares will be registered. Holders of H shares and domestic shares whose names appear on the register of members of the Company on Tuesday, 16 June 2026 are entitled to attend and vote at the AGM. Holders of H shares of the Company who intend to attend and vote at the AGM must lodge all transfer documents accompanied by the relevant H share certificates with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 10 June 2026 for registration. Holders of domestic shares of the Company who intend to attend and vote at the AGM shall lodge all transfer documents accompanied by the relevant domestic share certificates with the office of the securities department of the Company at No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone, Urumqi, Xinjiang, the PRC no later than 4:30 p.m. on Wednesday, 10 June 2026 for registration.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, the Group has not purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

As of 31 December 2025, the Company did not hold any treasury shares.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the Group's operating revenue attributed to its top five major customers and the largest customer accounted for 16.18% and 3.55% of the Group's operating revenue, respectively.

During the Reporting period, the Group's procurement amounts attributed to its top five major suppliers and the largest supplier accounted for 24.84% and 8.77% of the Group's total procurement amount, respectively.

The customers of the Group were basically silicon wafer manufacturing enterprises in the midstream and the operation enterprises of PV and wind power plant in the downstream of new energy industry, mainly including state-owned enterprises, central enterprises and private enterprises, which have established cooperation with the Group in the recent 5 years. Major customers were treated similarly to other customers in such aspects as delivery method, payment method and settlement conditions, without enjoying special terms. The settlement of major customers' accounts receivable was strictly compliant with the requirements of relevant contracts, and provision was made for accounts receivable in accordance with the Company's accounting policy.

TBEA Group was one of the five major suppliers of the Group during the Reporting Period, and directly or indirectly owned 66.61% equity interest in the Company as at the Latest Practicable Date.

Save as otherwise disclosed in this annual report, to the best knowledge of the Directors none of the Directors, their associates or shareholders who own more than 5% of the issued share capital of the Company has any equity interest in the top five major customers and the top five major suppliers of the Group.

The Group has been keeping a sustained and stable relationship with customers and suppliers. The Group has not relied on any individual customer and supplier in conducting the business to cause a significant impact on the Group.

RELATIONSHIP WITH EMPLOYEES

The Group treats employees of different races, color, nationalities, genders, ages, religious beliefs and cultural backgrounds equally and fairly, and prohibits and resists any form of employment of child labor and forced labor. The Group has established a scientific and reasonable promotion path for its employees based on their job rank and job responsibilities, taking into account their work performance, work attitude and personal development prospects, and supplemented with a targeted training system to nurture and motivate outstanding talents, thereby building a professional, efficient and diversified talent team for the Group's development. Meanwhile, the Group attaches importance to the occupational health protection of employees, with an emphasis on the corporate culture of "Developing for Employees and Relying on Employees, Sharing Development Achievements with Employees" and by actively implementing the philosophy of "Creation and Share", the Group carries out various kinds of livelihood-related projects in depth and positively creates a working atmosphere for the harmonious and healthy development of the employees and the enterprise.

For details of staff development and training and relationship with employees, please refer to the 2025 Environmental, Social and Governance Report ("**2025 Environmental, Social and Governance Report**") dated 28 April 2026 to be issued by the Company.

BANK BORROWINGS AND OTHER BORROWINGS

Details of the bank borrowings and other borrowings of the Group as at 31 December 2025 are set out in Note VI. 21 and VI. 31 to the consolidated financial statements.

CHARITABLE DONATION

The Group made no charitable donations during the Reporting Period.

BUILDING STRUCTURES AND EQUIPMENT

Details of changes in the building structures and equipment of the Group during the Reporting Period are set out in Note VI. 14 to the consolidated financial statements.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographies of Directors, Supervisors and senior management of the Company during the Reporting Period and as at the Latest Practicable Date are set out on pages 34 to 38 of this report.

SERVICE CONTRACTS OF THE DIRECTORS AND SUPERVISORS

The Company has entered into service contracts with each of the Directors and Supervisors. The principal particulars of such service contracts are (1) from the date of appointment to the date of expiry of the term of the current session of the Board/Supervisory Board; and (2) are subject to termination in accordance with their respective terms.

Each of the Directors and Supervisors has entered into a contract with the Company in respect of, among others, compliance with relevant laws and regulations, the Articles of Association, arbitration and other provisions.

Save as disclosed above, none of the Directors has entered into a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT'S REMUNERATION

Details about the remuneration of Directors, Supervisors of the Company during the Reporting Period are set out in Note XII. 5 to the consolidated financial statements.

The remuneration of the Company's senior management during the Reporting Period is within the following range:

Remuneration range[1]	Individual
RMB1 to RMB1,000,000	1
RMB1,000,001 to RMB2,000,000	4
RMB2,000,001 to RMB3,000,000	1

(1) The above remuneration includes salaries payable to staff, the Company's contribution to five social insurances (namely, pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance) and housing fund.

The Company's internal policies on the Directors' and Supervisors' remuneration during the Reporting Period are as follows:

1. The Company will pay each independent non-executive Director an annual allowance of RMB200,000 before tax;

2. The Company will pay each Director (excluding independent non-executive Director) an annual allowance of RMB160,000 before tax; and

3. The Company will pay each Supervisor an annual allowance of RMB80,000 before tax.

The above allowances of Directors and Supervisors are paid on a quarterly basis, and the Company is responsible for withholding and paying individual income tax.

The above allowances of Directors and Supervisors exclude remuneration received for other management positions they hold in the Company, which are performed based on the Company's relevant remuneration system.

INTEREST OF DIRECTORS IN CONTRACTS

During the Reporting Period, the Group was not, either directly or indirectly, a party to any material transaction, arrangement or contract of significance to the business of the Group in which the Directors (or their connected entities) had a material interest and which was subsisting during the Reporting Period or at the end of the Reporting Period.

INTEREST OF DIRECTORS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors and their associates had any competing interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

INTERESTS AND/OR SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 31 December 2025, so far as known to the Company, the interest and/or short positions of the Directors 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 SFO) (a) which will have to be notified to the Company and the Stock Exchange (including those taken or deemed to be owned by them under such provisions of the SFO); or (b) which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules are as follows:

Directors/chief executive	Nature of Interest	The Company/ associated corporation	Number/type of shares of the Company/associated corporation held	Approximate percentage of shareholdings in the total share capital of the Company/ associated corporation[1]	Approximate percentage of shareholdings in the relevant class of shares of the Company[2]	Long position/ short position
Mr. Zhang Xin	Interest in a controlled corporation[3]	The Company	87,059,908 Domestic Shares	6.08%	8.23%	Long position
	Beneficial owner	TBEA[4]	528,324 shares	0.01%	N/A	Long position
	Interest in a controlled corporation[5]	TBEA[4]	581,077,428 shares	11.50%	N/A	Long position
Mr. Huang Hanjie	Beneficial owner	TBEA[4]	1,622,734 shares	0.03%	N/A	Long position
Ms. Huang Fen	Beneficial owner	TBEA[4]	507,000 shares	0.01%	N/A	Long position
Mr. Hu Youcheng	Beneficial owner	TBEA[4]	940,734 shares	0.01%	N/A	Long position

Notes:

(1) The calculation is based on the total number of 5,052,792,571 shares of TBEA in issue and 1,430,000,000 shares of the Company in issue as at 31 December 2025.

(2) The calculation is based on the total number of 1,053,829,244 Domestic Shares of the Company in issue as at 31 December 2025.

(3) Mr. Zhang Xin directly holds 40.08% equity interest in Xinjiang Tebian and holds 24.04% equity interest in Xinjiang Tebian through his wholly-owned Tianjin Hongyuan Innovation Enterprise Management Co., Ltd.* (天津宏遠創新企業管理有限公司)); pursuant to the SFO, as Xinjiang Hongyuan Innovation Enterprise Management Co., Ltd.* (新疆宏遠創新企業管理有限公司) ("**Xinjiang Hongyuan**"), in which he holds 70% equity interest, acts as the general partner of Xinjiang Xingze Enterprise Management Limited Partnership* (新疆興則企業管理有限合夥企業) ("**Xinjiang Xingze**"), Mr. Zhang Xin is also deemed to be interested in the 32.95% equity interest in Xinjiang Tebian held by Xinjiang Xingze. As at 31 December 2025, Xinjiang Tebian held 83,863,108 Domestic Shares of the Company; Xinjiang Far Excellence Enterprise Management Consulting Co., Ltd.* (新疆遠卓企業管理諮詢有限公司), a wholly-owned subsidiary of Xinjiang Tebian, holds 3,196,800 Domestic Shares of the Company. Therefore, Mr. Zhang Xin holds approximately 6.08% of the total issued Shares of the Company through his interests in the controlled corporations.

(4) TBEA is the Company's Controlling Shareholder and therefore an associated corporation of the Company. As at 31 December 2025, TBEA held 951,226,161 Domestic Shares (approximately 90.26% of the relevant class of Shares) of the Company, and TBEA (HONGKONG) CO., LIMITED, a wholly-owned subsidiary of TBEA, held 1,223,200 H Shares (approximately 0.33% of the relevant class of Shares) of the Company, which in total accounted for approximately 66.61% of the total number of issued Shares of the Company.

(5) Mr. Zhang Xin directly holds 40.08% equity interest in Xinjiang Tebian and holds 24.04% equity interest in Xinjiang Tebian through his wholly-owned Tianjin Hongyuan Innovation Enterprise Management Co., Ltd.* (天津宏遠創新企業管理有限公司). Under the SFO, Xinjiang Hongyuan, in which he holds 70% equity interest, acts as the general partner of Xinjiang Xingze, and therefore Mr. Zhang Xin is also deemed to be interested in the 32.95% equity interest in Xinjiang Tebian held by Xinjiang Xingze. Xinjiang Tebian directly holds 581,077,428 Domestic Shares of TBEA.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executive of the Company had any interest and/or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporation, which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those being taken or deemed to be owned by them under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTOR INSURANCE

During the Reporting Period and up to the Latest Practicable Date, the Company provided the Directors with liability insurance cover arrangement.

PERMITTED INDEMNITY PROVISIONS

During the Reporting Period and up to the Latest Practicable Date, the Company had in force indemnity provisions as permitted under the relevant statutes for the benefit of the directors (including former Directors) of the Company or its associated companies. The permitted indemnity provisions are provided for in the directors and officers' liability insurance policies taken out by the Company in respect of potential liability and costs associated with legal proceedings that may be brought against such directors.

EMPLOYEE SHARE OWNERSHIP SCHEME

On 5 May 2022, the adoption of the Employee Share Ownership Scheme was considered and approved at the general meeting of the Company, and on the same day, the Company granted 29.94 million Domestic Shares (the "**Subject Shares**") to the Participants of the Employee Share Ownership Scheme (a total of 500 Participants including Directors, Supervisors, senior management, middle management, core technical employees and core business employees of the Company) through the Shareholding Platforms of the Employee Share Ownership Scheme. The source of the shares was originated from the Domestic Shares held by TBEA, which were transferred to the Shareholding Platforms of the Employee Share Ownership Scheme. Based on the current industry conditions and the actual circumstances of the Company, the Board terminated the Employee Share Ownership Scheme on 20 April 2025. Details regarding the termination were disclosed in the Company's announcement dated 21 April 2025. During the Reporting Period, TBEA acquired all the Subject Shares for RMB417,363,600.

Details of the Employee Share Ownership Scheme are set out below:

Objectives and Purposes

To improve and perfect the governance structure of the Company, establish an effective incentive and restraint mechanism, attract and retain talents, improve the Company's middle and senior management and key employees' sense of responsibility and mission to achieve the sustainable and healthy development, and to effectively combine the interests of Shareholders, the Company and the employees' interests.

Subject Shares

Domestic Shares will be purchased by the Participants to have their ownership registered after the grant of the Subject Shares by the Company to the Participants at a certain price. The Subject Shares under the Employee Share Ownership Scheme represented 2.09% of the total number of Shares in issue of the Company as at 31 December 2025, and 2.84% of the total number of Domestic Shares in issue of the Company as at 31 December 2025. As at the end of the Reporting Period, the Subject Shares had been transferred to TBEA.

Source of the Subject Shares

The Subject Shares under the Employee Share Ownership Scheme were originated from the Domestic Shares transferred by TBEA. The Employee Share Ownership Scheme shall not involve any issue of new Shares.

Participants

The Participants mainly include the Company's (i) Directors, Supervisors and senior management; (ii) middle management; (iii) core technical employees and core business employees; and (iv) other Participants identified by the Board. The Participants must be employees of the Group when the Subject Shares are granted. The number of Participants who meet the above conditions and participate in the Employee Share Ownership Scheme is in a total of 500.

In determining the number of Subject Shares to be granted to the Participants, the Company has considered the Participants' seniority, performance, function, contribution and importance to the Company and formulated a uniform principle for granting.

The grant date of the Subject Shares was 5 May 2022, being the date on which the Employee Share Ownership Scheme was considered and approved by the Company at the 2022 first extraordinary general meeting.

During the Reporting Period, Employee Share Ownership Scheme grants were as follows:

	Grant price of the Subject Shares per share (RMB)[1]	Number of Subject Shares granted but not unlocked as at 1 January 2025 Number of shares during the Reporting Period ('0,000 shares)[2]	Granted during the Reporting Period ('0,000 shares)	Unlocked during the Reporting Period ('0,000 shares)	Cancelled during the Reporting Period ('0,000 shares)	Lapsed during the Reporting Period ('0,000 shares)	Number of Subject Shares granted but not unlocked as at 31 December 2025 ('0,000 shares)[3]
Directors							
Zhang Jianxin[4]	13.73	100	–	–	–	–	–
Hu Weijun[5]	13.73	18	–	–	–	–	–
Supervisors							
Cao Huan[6]	13.73	18	–	–	–	–	–
Guo Hao[7]	13.73	7	–	–	–	–	–
Senior management, middle management, core technical and business employees, as well as other Participants identified by the Board (496[6] in total)	13.73	2,851	–	–	–	–	–
Total	13.73	2,994	–	–	–	–	–
Five highest paid individuals in aggregate during 2025 Total	13.73	252	–	–	–	–	–

Notes:

(1) The grant price of the Subject Shares was determined with reference to the price of the latest issue of domestic shares of the Company, i.e. RMB13.73 per share. As at the grant date, the relevant subscription amounts had been paid by the Participants.

(2) The lock-up period of the Employee Share Ownership Scheme shall start from the grant date to the end of 36 months after the listing date of the Company's A Shares. If the Company fails to materialize the A Share Offering and there is no further plan for it at that time, the "Special exit circumstances" will be automatically triggered. Participants may, through the Partnership, decide whether to transfer its Shares in the Company to TBEA or other third party. In such circumstances, the lockup period shall be 3 years from the grant date.

(3) On 20 April 2025, the Board terminated the Employee Share Ownership Scheme. As at the Latest Practicable Date, TBEA has transferred all the Domestic Shares of the Company held by the Shareholding Platforms for RMB417,363,600.

(4) Mr. Zhang Jianxin ceased to serve as Chairman of the fifth session of the Board, executive director, and member of the Strategy Committee and the Nomination Committee of the Company, with effect from 24 November 2025.

(5) Mr. Hu Weijun ceased to serve as an executive director of the fifth session of the Board and a member of the Remuneration and Appraisal Committee of the Board, with effect from 5 January 2026.

(6) Mr. Cao Huan ceased to serve as the employee representative supervisor of the Company from 14 February 2025.

(7) Mr. Guo Hao ceased to serve as the employee representative supervisor of the Company from 30 December 2025.

(8) None of the Participants was granted with Shares in excess of the 1% individual limit (as defined in the Listing Rules).

(9) According to the appraisal report issued by Yinxin Appraisal Co., Ltd (銀信資產評估有限公司), the fair value of the Subject Share(s) on the grant date was RMB20.29 per share.

RIGHTS OF DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Except for the Employee Share Ownership Scheme, during the Reporting Period, no right to subscribe for the Shares in or debentures of the Company or any of its associated corporations was granted by the Company to any Director or chief executive of the Company or their respective spouses or children aged under 18, and no such rights to subscribe for the above Shares or debentures were exercised by them.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2025, so far as known to the Directors of the Company after reasonable enquiry, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and had been entered in the register required to be kept by the Company according to Section 336 of the SFO:

Name of Shareholder	Nature of Interest	Class of Shares held	Number of Shares held	Approximate percentage of shareholdings in the relevant class of Shares of the Company[1]	Approximate percentage of shareholdings in the total share capital of the Company[1]	Long position/ short position
TBEA	Beneficial owner	Domestic Shares	951,226,161	90.26%	66.52%	Long position
	Interest in a controlled corporation[2]	H Share	1,223,200	0.33%	0.09%	Long position
					66.61%	
Xinjiang Tebian	Beneficial owner	Domestic Shares	83,863,108	7.96%	5.86%	Long position
	Interest in a controlled corporation[3]	Domestic Shares	3,196,800	0.30%	0.22%	Long position
					6.08%	
Shanghai Ningquan Asset Management Co., Ltd. (上海寧泉資產管理有限公司)	Investment manager	H Shares	53,154,400	14.13%	3.72%	Long position

Notes:

(1) The calculation is based on the total number of 1,430,000,000 shares of the Company in issue as at 31 December 2025, in which 376,170,756 are H Shares and 1,053,829,244 are Domestic Shares.

(2) TBEA indirectly holds 1,223,200 H Shares through its wholly-owned subsidiary TBEA (HONGKONG) CO., LIMITED.

(3) Xinjiang Tebian indirectly holds 3,196,800 Domestic Shares through its wholly-owned subsidiary Xinjiang Far Excellence Enterprise Management Consulting Co., Ltd.* (新疆遠卓企業管理諮詢有限公司).

Save as disclosed above, as of 31 December 2025, the Directors of the Company are not aware that any other person (other than the Directors and chief executives of the Company) had interests and/or short positions in the Shares or underlying Shares of the Company which are required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or have to be entered in the register kept by the Company according to Section 336 of the SFO.

MANAGEMENT CONTRACT

No contracts relating to the management and administration of the whole or any substantial part of the business of the Group were entered into or subsisted during the Reporting Period.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed elsewhere in this annual report, there was no transaction, arrangement or contract of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the Reporting Period or at any time during the Reporting Period, and in which a Director or an entity connected with a Director had, whether directly or indirectly, a material interest, nor was there any other transaction, arrangement or contract of significance in relation to the Company's business, or significant contract for delivery of service between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

CONNECTED TRANSACTIONS

The following connected transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules, and conform to the relevant disclosure requirements. In relation to the connected transactions mentioned below, the Directors confirm that the Company has complied with the disclosure requirements of Chapter 14A of the Listing Rules.

The following disclosed amounts in respect of the continuing connected transactions in this section are not equivalent to the connected transactions in Note XI to the consolidated financial statements. The differences are attributable to (i) the amount of the fully exempted continuing connected transactions; and (ii) the fact that the definition of Connected Person is different from that of connected party used in the consolidated financial statements.

Apart from the connected transactions or continuing connected transactions stated below in this annual report, none of the connected transactions constituted non-exempt connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules. The Company's connected transactions during the Reporting Period were in compliance with the relevant requirements of the Listing Rules.

Non-exempt Connected Transactions

Capital injected by a subsidiary of the Company to Zhunneng Investment

On 6 December 2024, the Company entered into the Equity Interest Transfer Agreement with Xinjiang Tianchi and the Zhundong Energy, pursuant to which, Xinjiang Tianchi agreed to sell and the Company agreed to acquire 49% of the equity interest in the Zhundong Energy at a consideration of RMB1,507.7 million, as determined with reference to the valuation report. Upon completion of the Acquisition, the Company will hold 49% of the equity interest in the Zhundong Energy, and the financial statements of the Zhundong Energy will not be consolidated into the financial statements of the Group but the investment revenue from the Zhundong Energy will be accounted and recognized by the Company using the equity method. For details, please refer to the announcements dated 6 December 2024 and 10 January 2025, and the circular dated 23 December 2024 of the Company.

Transfer of Equity Interests in Shengyu Company and Shengding Company (the "Target Companies") to Xinjiang Tianchi and Capital Injection Thereinto

On 7 March 2025, Xinjiang Tianchi and the subsidiaries of the Company, namely Silicon New Material and Sunoasis, entered into the Equity Transfer and Capital Injection Agreements with Shengyu and Shengding respectively, pursuant to which, (1) Silicon New Material and Sunoasis agreed to transfer their respective 12.50% equity interest in Shengyu to Xinjiang Tianchi each at a consideration of RMB46,745,600, as determined by reference to the valuation reports; (2) Silicon New Material and Sunoasis agreed to transfer their respective 12.50% equity interest in Shengding to Xinjiang Tianchi each at a consideration of RMB24,100, as determined by reference to the valuation reports; and (3) Xinjiang Tianchi agreed to inject approximately RMB209,721,800 to Shengyu and inject RMB387,924,000 to Shengding as their new registered capital respectively. Upon completion of the Equity Transfer and Capital Injection, Silicon New Material, Sunoasis and Xinjiang Tianchi will hold 40%, 20% and 40% of the equity interest in the Target Companies respectively, and the Target Companies will remain as non-wholly owned subsidiaries of the Company. For further details, please refer to the Company's announcements dated 7 March 2025 and 29 April 2025 and the circular dated 3 April 2025.

Xinjiang Tianchi to Inject Capital to the Silicon Innovation

On 12 September 2025, the Company, Inspection Company, Xinjiang Tianchi and Silicon Innovation Center entered into the Capital Injection Agreement, pursuant to which, Xinjiang Tianchi agreed to inject RMB35 million with monetary funds to the Silicon Innovation Center as its registered capital. Upon completion of the Capital Injection, the Group and Xinjiang Tianchi will hold 61% and 39% of the equity interest of the Silicon Innovation Center, respectively, and the Silicon Innovation Center will continue to be a subsidiary of the Company and its financial statements will continue to be consolidated into the financial statements of the Group. For further details, please refer to the Company's announcement dated 12 September 2025.

Acquisition of equity interest in Xuyi High Drive by the Company

On 26 September 2025, Sunoasis entered into the Equity Interest Transfer Agreement with TBEA, pursuant to which, TBEA agreed to transfer 100% equity interest in Xuyi High Drive to Sunoasis, at a consideration of RMB136,800,000, which was determined after arm's length negotiations with reference to the valuation report. Upon completion of the Acquisition, the Xuyi High Drive will become a subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group. For details, please refer to the announcement dated 26 September 2025 of the Company.

Non-exempt Continuing Connected Transactions

The Group conducted certain non-exempt continuing connected transactions during the Reporting Period. The relevant transactions did not exceed the relevant caps approved by the Shareholders for the year ended 31 December 2025.

The following table states the annual cap and actual transaction amount of such continuing connected transactions in 2025:

	Connected transactions	Connected person	2025 Annual cap (RMB million)	2025 Actual transaction amounts (RMB million)
1.	Provision of products for the Group	TBEA	**1,300**	**757.77**
2.	Provision of coal for the Group (including freight)	TBEA	**750**	**388.13**
3.	Provision of miscellaneous construction services for the Group	TBEA	**600**	**537.14**
4.	Sales of products and services to TBEA	TBEA	**400**	**81.64**
5.	Provision of products for the Group	Xinjiang Tebian	**400**	**305.81**
6.	Provision of miscellaneous construction services for the Group	Xinjiang Tebian	**400**	**120.76**
7.	Provision of non-recourse factoring services for trade receivables to the Group	Factoring company	**1,200**	**789.33**
8.	Provision of deposit services for the Group (maximum daily deposit balance (including accrued interests))	TBEA Finance	**3,000**	**2,980.00**

Product Procurement Framework Agreement with TBEA

(1) The Company entered into certain framework agreements with TBEA

In view of Group's past collaboration experience with TBEA Group, the products supplied by TBEA are necessary for the construction and operation of the Group's polysilicon projects, PV and wind power plants and the fact that TBEA possesses a relative edge in terms of product prices, quality, delivery period and payment terms, the Group has been procuring products from TBEA Group. The Company entered into a product procurement framework agreement with TBEA on 17 October 2023, pursuant to which, TBEA Group shall provide the Group with transformers (including ancillary equipment), wires, cables and other equipment. The product procurement framework agreement is for a term from 1 January 2024 to 31 December 2026, which can be renewed after obtaining the consent of both parties. The annual caps for products procurement between the Group and TBEA Group for 2024, 2025 and 2026 are RMB1.5 billion, RMB1.3 billion and RMB1.1 billion, respectively.

For details, please refer to the announcements of the Company dated 17 October 2023, 8 November 2023, 9 November 2023 and 30 November 2023, and the circular of the Company dated 14 November 2023.

(2) Coal Procurement Framework Agreement with TBEA

TBEA Group's coal confers a clear advantage in terms of price over its competitors, and their products are of good quality with stable supply. As such, the Group has been procuring coal from TBEA Group. The Company entered into a coal procurement framework agreement with TBEA on 17 October 2023, pursuant to which, TBEA Group shall provide the Company with coal for power generation and heating. The coal procurement framework agreement is for a term from 1 January 2024 to 31 December 2026, which can be renewed after obtaining the consent of both parties. The annual caps for coal procurement (including transportation costs) between the Company and TBEA Group for 2024, 2025 and 2026 are each RMB750 million.

For details, please refer to the announcements of the Company dated 17 October 2023, 8 November 2023, 9 November 2023 and 30 November 2023, and the circular of the Company dated 14 November 2023.

(3) Miscellaneous Services Framework Agreement with TBEA

As TBEA Group's construction quality, construction period, and service capacity for miscellaneous construction services can meet the Group's requirements, and are more able to understand the Group's needs, TBEA Group has been providing relevant miscellaneous construction services to the Group. The Company entered into a miscellaneous services framework agreement with TBEA on 17 October 2023 and entered into a Miscellaneous Services Supplementary Framework Agreement on 14 October 2025, pursuant to which, TBEA Group shall provide the Group with miscellaneous services (such as engineering construction and greening service). The miscellaneous services framework agreement is for a term from 1 January 2024 to 31 December 2026, which can be renewed after obtaining the consent of both parties. The annual cap for miscellaneous services between the Group and TBEA Group for 2024, 2025 and 2026 are RMB700 million, RMB600 million and RMB450 million, respectively.

For details, please refer to the announcements of the Company dated 17 October 2023, 8 November 2023, 9 November 2023, 30 November 2023, 14 October 2025, 5 November 2025 and 2 December 2025, and the circulars of the Company dated 14 November 2023 and 11 November 2025.

(4) Product Sales and Services Framework Agreement with TBEA

To take full advantage of the economies of scale and bargaining power in design and construction of new energy power stations and smart microgrids, as well as the production of inverters and other products and raw material procurement of the Group and to make use of the Group's residual production capacity for industrial raw materials and industrial water, thereby bringing certain benefits to the Group. The Company entered into the Product Sales and Services Framework Agreement with TBEA on 17 October 2023, pursuant to which the Group provided products and services to the TBEA Group, including industrial raw materials (such as silicon metal and liquid alkali), industrial water and inverters, etc and construction engineering services related to new energy power stations. The Product Sales and Services Framework Agreement is valid from 1 January 2024 to 31 December 2026 and may be extended subject to mutual consent, and the annual caps for the product sales and services between the Group and TBEA Group in 2024, 2025 and 2026 are RMB400 million, respectively.

For details, please refer to the announcements of the Company dated 17 October 2023, 8 November 2023, 9 November 2023 and 30 November 2023, and the circular of the Company dated 14 November 2023.

(5) Listing Rules Implications

For the transactions where TBEA provides the Group with products, coal and miscellaneous services and the Group sells products and devices to TBEA (collectively the "**TBEA Transactions**"), the TBEA Transactions shall be treated and aggregated as one transaction pursuant to Rule 14A.81 of the Listing Rules. Accordingly, the annual caps in respect of the TBEA Transactions are aggregated and used when calculating the relevant percentage ratios under Chapter 14A of the Listing Rules. Since at least one of the relevant percentage ratios of the TBEA Transactions (as aggregated) contemplated under certain framework agreements entered into between the Company and TBEA is more than 5%, the TBEA Transactions shall be subject to the annual reporting, annual review, announcement, circular and Shareholders' approval requirements under Chapter 14A of the Listing Rules. The annual caps for the TBEA Transactions have been approved, and the Company has conducted related transactions with TBEA based on such annual caps.

The Company entered into certain framework agreements with Xinjiang Tebian

(1) Product Procurement Framework Agreement with Xinjiang Tebian

Given that Xinjiang Tebian Group is a key manufacturer of mechanical and electrical products, transformer accessories and towers in the industry, the Group procures products from Xinjiang Tebian Group due to its relative advantages in terms of price, quality, delivery period and payment terms of its products. The Company entered into a product procurement framework agreement with Xinjiang Tebian on 17 October 2023, pursuant to which, the Group procures products including towers and other electrical accessories from Xinjiang Tebian Group. The product procurement framework agreement is for a term from 1 January 2024 to 31 December 2026, which can be renewed after obtaining the consent of both parties. The annual caps for products procurement between the Company and Xinjiang Tebian for 2024, 2025 and 2026 are RMB600 million, RMB400 million and RMB400 million, respectively.

For details, please refer to the announcements of the Company dated 17 October 2023, 8 November 2023, 9 November 2023 and 30 November 2023, and the circular of the Company dated 14 November 2023.

(2) Miscellaneous Services Framework Agreement with Xinjiang Tebian

As Xinjiang Tebian is able to provide high quality of civil works infrastructure construction, renovation and installation services and competitive prices, and knows the demands of the Group better, it has been providing miscellaneous construction services to the Group. The Company entered into a miscellaneous services framework agreement with Xinjiang Tebian on 17 October 2023, pursuant to which, the Xinjiang Tebian Group shall provide the Group with miscellaneous services (such as engineering labor, installation of electricity and gas equipment) from Xinjiang Tebian Group. The miscellaneous services framework agreement is for a term from 1 January 2024 to 31 December 2026, which can be renewed after obtaining the consent of both parties. The annual caps for miscellaneous services between the Group and Xinjiang Tebian for 2024, 2025 and 2026 are RMB500 million, RMB400 million and RMB400 million, respectively.

For details, please refer to the announcements of the Company dated 17 October 2023, 8 November 2023, 9 November 2023 and 30 November 2023, and the circular of the Company dated 14 November 2023.

(3) Listing Rules Implications

For the transactions where Xinjiang Tebian provides the Group with products and miscellaneous services (collectively the "**Xinjiang Tebian Transactions**"), the Xinjiang Tebian Transactions shall be treated and aggregated as one transaction pursuant to Rule 14A.81 of the Listing Rules. Accordingly, the annual caps in respect of the certain framework agreements entered into between the Company and Xinjiang Tebian are aggregated and used when calculating the relevant percentage ratios under Chapter 14A of the Listing Rules. Since at least one of the relevant percentage ratios for the Xinjiang Tebian Transactions (as aggregated) is more than 5%, the transactions are subject to the annual reporting, annual review, announcement, circular and Shareholders' approval requirements under Chapter 14A of the Listing Rules. The annual caps for the Xinjiang Tebian Transactions have been approved, and the Company has also conducted related transactions with Xinjiang Tebian based on such annual caps.

The Company entered into Factoring Services Framework Agreement with the Factoring Company

The Group's accounts receivable relating to wind and PV power station construction and other businesses have a long recovery cycle. To expedite the recovery of accounts receivable, optimize the asset structure, accelerate the asset turnover rate, improve operating cash flows, broaden the financing channels and reduce the financing costs, the Company entered into the Factoring Services Framework Agreement with the Factoring Company on 31 March 2025, pursuant to which, the Factoring Company agreed to provide the Group with non-recourse factoring services for its accounts receivable. The Factoring Services Framework Agreement is for a term from 18 June 2025 to 31 December 2026. The annual caps for factoring service between the Group and the Factoring Company for 2025 and 2026 are RMB1.2 billion and RMB1.7 billion, respectively.

The transactions under the Factoring Services Framework Agreement shall follow the fair market principle and be conducted on terms not less favorable than the relevant terms offered under similar categories, tenors, and conditions by (i) an independent third party to the Group; and (ii) the Factoring Company to any members of the TBEA Group (excluding the Group).

For details, please refer to the announcements of the Company dated 21 November 2024, 31 March 2025, 18 June 2025, and the circular of the Company dated 27 May 2025.

Listing Rules Implications

As the subsidiaries of the Company entered into the Accounts Receivable Transfer Agreements with the Factoring Company on 21 November 2024 and commenced the accounts receivable factoring business, the Proposed Annual Cap is required to be aggregated with the transactions under the Accounts Receivable Transfer Agreements pursuant to the Listing Rules. As the highest applicable percentage ratio in respect of the Proposed Annual Cap on an aggregated basis is more than 5% but less than 25%, such transactions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules. Accordingly, such transactions are subject to the announcement requirement under Chapter 14 of the Listing Rules and the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Proposed Annual Cap has been approved, and the Company has conducted related transactions with the Factoring Company based on such annual caps.

The Company entered into the financial services framework agreement with TBEA Finance

With the continuous business expansion of the Group, it is particularly important to diversify financing channels, reduce finance costs, and improve capital utilization rate. On 17 October 2023, the Company entered into a financial services framework agreement with TBEA Finance, pursuant to which, TBEA Finance will provide the Group with deposit services. The financial services framework agreement is for a term from 1 January 2024 to 31 December 2026, which can be renewed after obtaining the consent of both parties. The annual caps (i.e. the daily maximum deposit balance (including accrued interest)) of the deposit services for the Group and TBEA Finance for 2024, 2025 and 2026 is RMB3 billion.

For details, please refer to the announcements of the Company dated 17 October 2023, 8 November 2023, 9 November 2023 and 30 November 2023, the circular of the Company dated 14 November 2023.

The deposits placed by the Group with TBEA Finance shall not bear an interest rate that is lower than (i) the deposit interest rates offered by other major cooperative commercial banks in the PRC; and (ii) the deposit interest rates offered by TBEA Finance to any other member companies of TBEA (excluding the Group) with the same credit ratings for comparable deposits, if applicable.

Listing Rules Implications

As the maximum applicable percentage ratio in respect of the deposit services under the financial services framework agreement exceeds 5%, the deposit services are subject to the reporting, announcement, independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

The annual cap under the financial services framework agreement has been approved, and the Company has conducted related transactions with TBEA Finance based on the annual cap.

CONNECTED PARTY INFORMATION

Information of TBEA

TBEA is a joint stock company incorporated in the PRC on 26 February 1993 and is listed on the SSE (stock code: 600089). As of the Latest Practicable Date, its registered capital is RMB5,052,792,571. TBEA and its close associates (excluding the Group) are mainly engaged in: (i) production and sales of transformers, inductors, wires, cables and other electrical and machinery equipment; (ii) construction and contracting of domestic and international power transmission and transformation projects, hydro and geothermal power projects; (iii) mining and sales of coal; and (iv) generation and sales of electricity and heat, etc. As of the Latest Practicable Date, TBEA holds directly and indirectly approximately 66.61% of the total issued share capital of the Company, and thus is the Controlling Shareholder of the Company. Accordingly, TBEA is a Connected Person of the Company as defined under Chapter 14A of the Listing Rules.

Information of Xinjiang Tianchi

Xinjiang Tianchi is a company with limited liability incorporated in the PRC on 29 November 2002 and a subsidiary of TBEA. Its registered capital is RMB10 billion as at the Latest Practicable Date. The principal businesses of Xinjiang Tianchi are the mining and sales of coal, generation and sales of electricity and heat. As at the Latest Practicable Date, TBEA directly holds 85.78% of the equity interest in Xinjiang Tianchi. Accordingly, Xinjiang Tianchi, as a subsidiary of TBEA, is a Connected Person of the Company, and the transactions between the Company and Xinjiang Tianchi constituted a Connected Transaction of the Company.

Information of the Factoring Company

The Factoring Company is a company incorporated in the PRC with limited liability on 26 January 2022 and a wholly-owned subsidiary of TBEA. Its registered capital is RMB400 million as at the Latest Practicable Date. The principal business of the Factoring Company is the operation of commercial factoring business. As at the Latest Practicable Date, TBEA directly holds 100% of the equity interest in the Factoring Company. Accordingly, the Factoring Company, as a subsidiary of TBEA, is a Connected Person of the Company, and the transactions between the Company and the Factoring Company constituted a Connected Transaction of the Company.

Information of Xinjiang Tebian

Xinjiang Tebian is a company incorporated in the PRC with limited liability on 27 January 2003, with a registered capital of RMB75,000,000 as at the Latest Practicable Date. Xinjiang Tebian is principally engaged in the production and sales of electrical and mechanical products and electrical accessories, the production and sales of equipment related to new energy power stations, the provision of engineering services, the development and sales of real estate and industrial investment. Mr. Zhang Xin is a Connected Person of the Company by virtue of his position as a Director as defined under Chapter 14A of the Listing Rules. Xinjiang Tebian, being a 30%-controlled company of Mr. Zhang Xin, is a Connected Person of the Company as defined under Chapter 14A of the Listing Rules.

Information of TBEA Finance

TBEA Finance is a company with limited liability incorporated in the PRC on 29 November 2018 and is a subsidiary of TBEA, with a registered capital of RMB2,000,000,000 as at the Latest Practicable Date. As a non-bank financial institution approved by the NFRA, TBEA Finance has qualifications to provide financial services to member companies of the group. As of the Latest Practicable Date, TBEA directly and indirectly holds approximately 99.18 % of the equity interest in TBEA Finance. Accordingly, TBEA Finance, as a subsidiary of TBEA, is a Connected Person of the Company, and the transactions between the Group and TBEA Finance constituted a Connected Transaction of the Company.

Confirmation of Independent Non-Executive Directors

The Audit Committee is responsible for the information gathering on and monitoring of connected transactions, and conducting an evaluation on the fairness of the transaction terms and the pricing terms; it would discuss with the Company's subsidiaries and business departments to determine the annual caps and execution of the Company's connected transactions; it shall also report to the Board and the Supervisory Board on the Group's connected transactions on a quarterly basis. If, based on the monitoring report, it is anticipated that there is a need to revise the annual caps, the Company will comply with the relevant requirements under the Listing Rules to issue an announcement as appropriate, report to the Independent Board Committee and/or seek for independent Shareholders' approval after the Board's review and approval (as the case may be).

The Directors (including the independent non-executive Directors) have monitored and supervised the compliance of the connected transactions under Chapter 14A of the Listing Rules in accordance with the Management Rules on Connected Transaction, and the Company's internal auditors have also provided the information related to each of the above mentioned continuing connected transactions and the finalization of the internal control procedures for the Directors (including the independent non-executive Directors). Under the supervision of the management, the Company has strictly implemented the risk management and internal control procedures in relation to the continuing connected transactions in accordance with the Management Rules on Connected Transaction, and the Company's internal auditors have also audited the continuing connected transactions above on the same basis. The transaction policy of the existing related-party transaction is effective. The Directors (including the independent non-executive Directors) have also reviewed the relevant information in accordance with the Management Rules on Connected Transaction of the Company to ensure that each of the continuing connected transactions above is conducted within the pricing policy or mechanism under the respective framework agreement.

The independent non-executive Directors have taken into consideration the report from executive staff of the risk management and internal control as well as information about continuing connected transactions, and reviewed the continuing connected transactions above, and confirmed that such transactions were:

(1) conducted in the ordinary and usual course of business of the Group;

(2) conducted pursuant to normal commercial terms; if the comparable transactions could not be relied on to judge whether the terms of the transactions were normal commercial terms, those terms should not be less favorable to the Group than the terms available to or provided by independent third parties; and

(3) conducted in accordance with the terms of agreement related to the transactions and the terms were fair, reasonable and in the interests of shareholders of the Company as a whole.

Confirmation of Auditor

The Group's external auditor issued its letter containing the findings and conclusions in respect of the above-mentioned continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules.

Based on its work, the engaged external auditor of the Company has reviewed the continuing connected transactions of the Group for the year ended 31 December 31 2025 and provided the Board with a letter confirming that, with respect to the aforesaid continuing connected transactions:

a. nothing has come to the auditor's attention that causes the auditors to believe that the disclosed continuing connected transactions have not been approved by the Board.

b. for transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.

c. nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions.

d. with respect to the actual transaction amount of each of the continuing connected transactions set out in the annual report, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company and approved by the Shareholders.

In respect of the abovementioned continuing connected transactions, the Directors had also confirmed the Group's compliance, with the disclosure requirements of Chapter 14A of Listing Rules.

BUSINESS REVIEW

In 2025, the Group conscientiously implemented the Electric Power Law of the People's Republic of China (《中華人民共和國電力法》), the Renewable Energy Law of the People's Republic of China (《中華人民共和國可再生能源法》), the "14th Five-year Plan" for the Renewable Energy Development (《關於可再生能源發展「十四五」規劃》) and other laws, regulations and policy documents, and has strictly complied with the relevant laws and regulations.

For the details of the use of financial key performance indicators for business analysis, major risks faced by the Company, major events affecting the Company and the future development of the Company's business, please refer to the Management Discussion and Analysis section. For the details of the Company's environmental policy and performance, please refer to the 2025 Environmental, Social and Governance Report published by the Company on 28 April 2026.

ENVIRONMENTAL POLICY AND PERFORMANCE

In compliance with laws and regulations of environmental protection such as the Environmental Protection Law of the People's Republic of China(《中華人民共和國環境保護法》) and Law of the People's Republic of China on Appraising of Environment Impacts(《中華人民共和國環境影響評價法》), the Group formulated relevant internal system focusing on areas such as management on the emission of waste gas, wastewater and solid residue, site management on the environment, environmental monitoring, and clean manufacturing, evaluation and performance for the purpose of a standardised production environment to ensure the environmental quality, and improved the environmental governance level of the Group with the correct policies and guidelines on an ongoing basis.

The Group has established environmental management systems (ISO14001) and obtained the relevant certifications. The Group has also implemented a comprehensive pollution and environmental protection control system, adopting stringent measures to control the discharge of pollutants during our business operations. In particular, our advanced closed-loop polysilicon production process not only promoted production efficiency but also significantly reduced pollution. The Group has taken various measures to reduce the impact of our polysilicon production on the environment. These measures include monitoring and controlling the solid waste, wastewater, exhaust fumes and noise.

In the business of construction and operation of wind power and PV power plants, the Group placed an emphasis on environmental protection and strove to conduct our R&D activities on an environmental protection basis and use environmental protection technologies and products.

In 2025, the Group did not suffer any material environmental accidents or instances of pollution and we were not subject to any material administrative penalties due to environmental accidents or pollution. As of the date of this report, the Group had not been subject to any material administrative penalties or legal action involving non-compliance with any PRC environmental law or regulation.

COMPLIANCE WITH NON-COMPETITION UNDERTAKING

The Controlling Shareholder of the Company, TBEA, has undertaken on 16 June 2015 (the "**Non-competition Undertaking**"), that TBEA, its subsidiaries and its associates (except for any members of our Group) will not carry on, engage in, invest in, participate in or attempt to participate in, render any services to, offer any financial support to or otherwise be involved or interested (economically or otherwise) in any business investment activities which compete or are likely to compete, alone or with other persons, directly or indirectly, with our business (the "**Restrained Businesses**").

The Non-competition Undertaking does not apply to (i) the holding of any equity interests in any members of our Group; and (ii) the holding of securities in a company that is engaged in the Restrained Business and whose securities are listed on any stock exchange, provided that TBEA or its associates do not individually or in aggregate hold or control the voting rights in respect of 10% or more of the issued share capital of such company; such holding of voting rights does not grant TBEA or its close associates any right to control the composition of the board of directors of such company; none of the members of TBEA Group controls the board of directors of such company; and such holding of voting rights does not grant TBEA or its close associates any right to participate, directly or indirectly, in such company.

As of the Latest Practicable Date, no decisions are required to be reviewed by our independent non-executive Directors as stipulated by the Non-competition Undertaking relating to exercise or non-exercise of options for new business opportunities, pre-emptive rights and option for purchase which would need to be disclosed in the annual report.

The independent non-executive Directors have reviewed TBEA's compliance with the Non-competition Undertaking. During the Reporting Period and as of the Latest Practicable Date, there was no breach of the Non-competition Undertaking by TBEA.

PRE-EMPTIVE RIGHTS AND SHARE OPTION ARRANGEMENTS

During the Reporting Period, pursuant to the PRC laws and requirements of the Articles of Association, the Company has no pre-emptive rights or share options.

EQUITY-LINKED AGREEMENT

The Group has not entered into any equity-linked agreement during the Reporting Period.

PUBLIC FLOAT

Based on the public information available to the Company prior to the publication of this report and to the knowledge of the directors of the Company, the directors of the Company confirmed as at 31 December 2025, there was sufficient public float with approximately 26.22% of the issued share capital of the Company held by the public, which complied with the requirements of Rule 19A.28B of the Listing Rules.

ARTICLES OF ASSOCIATION

During the Reporting Period, there were no material changes to the Articles of Association. The current effective Articles of Association have been published on the websites of the Stock Exchange and the Company.

MAJOR LEGAL PROCEEDING

During the Reporting Period, the Group was not involved in any major legal proceedings or arbitrations, and so far as the Directors are aware, no major litigation or claims are pending or threatened against the Group.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's annual results for the year ended 31 December 2025 and the audited consolidated financial statements for the year ended 31 December 2025 prepared in accordance with the CASBE.

FINANCIAL SUMMARY

The summary of the assets, liabilities and operating results of the Group for the five years ended 31 December 2025 is set out on page 11 of this annual report.

Huang Hanjie
Chairman

Xinjiang, the PRC • 27 March 2026

Corporate Governance Report

The Board of the Company hereby presents to the Shareholders the corporate governance report during the Reporting Period.

BOARD OF DIRECTORS

Composition of the Board

As at the end of the Reporting Period, the Board consisted of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors.

As at the Latest Practicable Date, the Board consisted of nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors.

As at the Latest Practicable Date, the biographical details of the Directors are set out on pages 34 to 36 of this annual report. There is no relationship (including financial, business, family or other material or relevant relationship) among members of the Board. The structure of the Board is well balanced with each Director having sound knowledge, experience and expertise relevant to the business operation and development of the Group. All Directors are aware of their joint and several responsibilities to the Shareholders.

The composition of the Board is set out as follows:

Name	Position	Term of office
Mr. Huang Hanjie[1]	Non-executive Director	2024.6–2025.11
	Chairman and executive Director	2025.11–2027.6
Mr. Nan Xinjian[2]	Executive Director and general manager	2026.1–2027.6
Ms. Huang Fen[3]	Executive Director and chief accountant	2025.4–2027.6
Mr. Zhang Xin	Non-executive Director	2024.6–2027.6
Mr. Yang Xiaodong[4]	Executive Director and general manager	2024.6–2026.1
	Non-executive Director	2026.1–2027.6
Mr. Hu Youcheng[5]	Non-executive Director	2025.12–2027.6
Mr. Cui Xiang	Independent non-executive Director	2024.6–2027.6
Mr. Chen Weiping	Independent non-executive Director	2024.6–2027.6
Mr. Tam, Kwok Ming Banny	Independent non-executive Director	2024.6–2027.6
Mr. Zhang Jianxin[6]	Chairman and executive Director	2024.6–2025.11
Ms. Kong Ying[7]	Executive Director and deputy general manager	2024.6–2025.3
Mr. Hu Weijun[8]	Executive Director	2024.6–2026.1

(1) Mr. Huang Hanjie was re-designated as an executive Director from non-executive Director on 24 November 2025, and appointed as Chairman.

(2) Mr. Nan Xinjian was appointed as an executive Director on 30 January 2026.

(3) Ms. Huang Fen was appointed as an executive Director on 29 April 2025.

(4) Mr. Yang Xiaodong was re-designated as a non-executive Director from executive Director on 5 January 2026.

(5) Mr. Hu Youcheng was appointed as a non-executive Director on 30 December 2025.

(6) Mr. Zhang Jianxin was resigned as Chairman and executive Director of the Company on 24 November 2025.

(7) Ms. Kong Ying was resigned as an executive Director of the Company on 14 March 2025.

(8) Mr. Hu Weijun was resigned as an executive Director of the Company on 5 January 2026.

Since its listing, the Company has implemented multiple mechanisms to ensure independent views and input are available to the Board, including but not limited to engaging independent third parties to seek independent professional advice to assist the Board of Directors in the performance of duties at the Company's expense. The Company has appointed at least three independent non-executive Directors in accordance with the Listing Rules, which require that the appointed independent non-executive Directors must account for at least one-third of the Board members, and fully comply with Rules 3.10(1) and (2) of the Listing Rules. In order to ensure high independence of the Board, the Board reviews the implementation and effectiveness of relevant independence mechanisms on an annual basis.

Diversity Policy of Board Members

In accordance with the CG Code as set out in Appendix C1 to the Listing Rules, the Company has adopted a Board Diversity Policy.

In order to achieve balanced and sustainable development, the Company regards the increasing diversity of its Board members as a key element in supporting the Company in achieving its strategic objectives and maintaining sustainable development. When setting the composition of the Board, the Company will consider and achieve diversity of Board members from multiple aspects. All appointments will continue to be made on a merit basis of candidates, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and service tenure. The Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. All appointments to the Board are made on the basis of merit and candidates are considered objectively, while fully taking into account the benefits of diversity of Board members. The Company understands and firmly believes in the benefits of diversity of Board members. The goal of gender diversity on the Board is to maintain at least one female. During the Reporting Period, there was one female on the Board of the Company, which has achieved the goal of gender diversity. For details of the gender diversity of the Board, please refer to the 2025 Environmental, Social and Governance Report published by the Company on 28 April 2026.

As at the Latest Practicable Date, being reviewed by the Nomination Committee, the Board is in compliance with the requirements of the Board Diversity Policy regarding different professional backgrounds, skills, ages and genders, which effectively facilitates the Company's scientific decision-making on major issues. The diversified composition of the fifth session of the Board is as follows:

No.	Name	Position	Age	Gender	Education and areas of expertise	Commencement time of directorship
1	Huang Hanjie	Executive Director (Chairman)	47 years old	Male	Master degree holder and a senior accountant, specializing in business management, financial accounting, financial management and other fields.	June 2021
2	Nan Xinjian	Executive Director and general manager	45 years old	Male	Bachelor's degree, Chinese Legal Professional Qualification, Intermediate Engineer in Chemical Engineering; specialising in corporate strategy and business management.	January 2026
3	Huang Fen	Executive Director	48 years old	Female	Holds a bachelor's degree; is a Senior Accountant, a Certified Public Accountant (China) and a Certified Management Accountant; specialises in business management, financial accounting and financial management.	April 2025
4	Zhang Xin	Non-executive Director	64 years old	Male	Associate degree holder and an electrical engineer as well as a senior engineer of machinery and electronics, specializing in corporate strategy, business management and machinery manufacturing fields.	February 2008
5	Yang Xiaodong	Non-executive Director	49 years old	Male	PhD, Senior Engineer, specialising in corporate strategy, business management and mechanical manufacturing.	September 2024
6	Hu Youcheng	Non-executive Director	53 years old	Male	PhD, Senior Economist, specialising in corporate strategy and business management.	December 2025
7	Cui Xiang	Independent nonexecutive Director	65 years old	Male	PhD degree and professor title holder, specializing in electrical engineering, semiconductor optoelectronic materials research and other fields.	June 2021

No.	Name	Position	Age	Gender	Education and areas of expertise	Commencement time of directorship
8	Chen Weiping	Independent nonexecutive Director	69 years old	Male	Bachelor degree holder and a professor-level senior engineer, specializing in chemical engineering design, technology development and other fields.	June 2021
9	Tam, Kwok Ming Banny	Independent nonexecutive Director	63 years old	Male	Holder of advanced degree in accounting from The Hong Kong Polytechnic University and a Chartered Certified Accountant in the United Kingdom, a Certified Public Accountant and a Practicing Certified Public Accountant in Hong Kong, specializing in auditing, financial accounting, financial management, tax planning and other fields.	June 2021

The Company discloses the composition of the Board in the Corporate Governance Report on an annual basis and oversees the enforcement of the Board Diversity Policy. The Nomination Committee reviews the Policy each year to ensure its effectiveness. Any necessary revisions are discussed by the Nomination Committee and proposed to the Board for approval.

BOARD MEETINGS

Pursuant to the Articles of Association, the Board is required to hold at least four meetings each year and such meetings shall be convened by the Chairman. A notice of the Board meeting shall be sent to all Directors at least 14 days prior to the convening of the meeting, to enable them to attend the meeting and incorporate the related matters in the agenda.

During the Reporting Period, the Board convened 20 meetings and submitted 20 resolutions to the General Meetings. The attendance of the Directors at Board meetings is as follows:

Name	Number of meetings required to be attended during tenure	Number of meetings attended during tenure	Number of meetings attended by proxy during tenure
Mr. Huang Hanjie[1]	20	20	0
Mr. Nan Xinjian[2]	N/A	N/A	N/A
Ms. Huang Fen[3]	13	13	0
Mr. Zhang Xin	20	20	0
Mr. Yang Xiaodong[4]	20	20	0
Mr. Hu Youcheng[5]	0	0	0
Mr. Cui Xiang	20	20	0
Mr. Chen Weiping	20	20	0
Mr. Tam, Kwok Ming Banny	20	20	0
Mr. Zhang Jianxin[6]	17	17	0
Ms. Kong Ying[7]	3	3	0
Mr. Hu Weijun[8]	20	20	0

Notes:

(1) Mr. Huang Hanjie was re-designated as an executive Director from non-executive Director of the Company on 24 November 2025, and appointed as Chairman.

(2) Mr. Nan Xinjian was appointed as an executive Director of the Company on 30 January 2026.

(3) Ms. Huang Fen was appointed as an executive Director of the Company on 29 April 2025.

(4) Mr. Yang Xiaodong was re-designated as a non-executive Director of the Company from executive Director on 5 January 2026.

(5) Mr. Hu Youcheng was appointed as a non-executive Director of the Company on 30 December 2025.

(6) Mr. Zhang Jianxin was resigned as Chairman and executive Director of the Company on 24 November 2025.

(7) Ms. Kong Ying was resigned as an executive Director of the Company on 14 March 2025.

(8) Mr. Hu Weijun was resigned as an executive Director of the Company on 5 January 2026.

Duties and Powers Exercised by the Board of Directors and Management

The Board of Directors has the following, among others, duties and powers according to the Articles of Association:

1. convening general meetings and presenting reports thereto;

2. implementing the resolutions made at the General Meetings;

3. determining the Company's business and investment plans;

4. working out the Company's profit distribution plans and loss recovery plans;

5. working out the Company's plans on the increase or reduction of registered capital, as well as on the issuance of shares, bonds or other securities and listing plans;

6. formulating proposals for material acquisitions, purchase of shares of the Company, merger, split-up, dissolution and change of the nature of the Company;

7. deciding on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, etc. of the Company within the scope authorised by the general meeting;

8. deciding on the establishment of the Company's internal management departments;

9. appointing or dismissing the general manager and secretary to the Board of the Company; appointing or dismissing the secretary to the Board, deputy general manager, chief accountant and other senior management personnel according to the nomination of Chairman of the Board and the general manager, respectively, as well as deciding on their remuneration and incentives;

10. formulating the Company's basic management system;

11. formulating the plan for modification of the Articles of Association;

12. proposing the employment or replacement of the accounting firm which audits the Company's accounts to the general meeting;

13. hearing the work reports of managers of the Company and check the general manager's work;

14. other duties and powers stipulated by laws, regulations and the listing rules of the stock exchange where the Company's shares are listed and conferred by the general meeting and the Articles of Association.

The Board of Directors is also responsible for the followings: formulating, reviewing and improving the corporate governance system and condition of the Company; reviewing and supervising the training and continuing professional development of Directors and senior management personnel; reviewing and supervising the Company's policies pursuant to and the compliance with laws and relevant regulations of the securities regulatory authority where the Shares are listed and making relevant disclosure; formulating, reviewing and supervising the code of conduct and relevant compliance manual of the Company's employees and Directors.

The Company's management comprises general manager, deputy general manager, chief accountant, safety director and the secretary to the Board. The general manager is accountable to the Board and mainly exercises the following duties and powers:

1. to take charge of the production operations and management tasks of the Company and organise the implementation of the Board's resolutions, and to report his/her work to the Board;

2. to organise the implementation of the Company's annual operating plan and investment plan;

3. to devise the set-up of the Company's internal management structure;

4. to formulate the basic management system of the Company;

5. to formulate the specific rules of the Company;

6. to propose the appointment or dismissal of the deputy general manager, chief accountant, chief mechanical engineer, safety director and other senior management personnel;

7. to decide on the appointment or dismissal of management personnel, apart from those requiring the approval from the Board for their appointment or dismissal;

8. to sign documents related to the operation of the Company as the legal representative of the Company; and

9. other duties and powers as conferred by the Articles of Association or the Board.

Chairman and General Manager

The positions of the Chairman and the general manager (i.e. the chief executive officer under the relevant provisions of the Listing Rules) of the Company are held by different persons in order to ensure independence and accountability of their respective functions and balanced distribution of power and authority between them. Mr. Zhang Jianxin (resigned on 24 November 2025) and Mr. Huang Hanjie (appointed on 24 November 2025) served as the Chairman, and Mr. Yang Xiaodong (resigned on 5 January 2026) and Mr. Nan Xinjian (appointed on 5 January 2026) served as the general manager, the division of responsibilities were established and set out in the Articles of Association.

Appointment and Re-election of Directors

Pursuant to the Articles of Association, Directors shall be elected at General Meetings with a term of no more than three years, subject to re-election. The Company has implemented a set of effective procedures for appointment of new Directors. Nomination of new Directors shall be first considered by the Nomination Committee whose recommendations will then be put forward to the Board for consideration. All newly nominated Directors are subject to election and approval at General Meetings.

The Company has entered into service contracts with each of the Directors (including non-executive Directors) for a term of three years. The appointment of a new Director is made on the recommendation of the Nomination Committee and the Board, and approved by the Shareholders at a general meeting of the Company. Any Director who has been nominated by the Nomination Committee and appointed by the Board to fill a casual vacancy or as addition to the Board shall hold office from the date of his/her appointment till the expiry of the term of the current session of the Board.

Ms. Huang Fen, Mr. Hu Youcheng and Mr. Nan Xinjian, who were newly appointed as Directors of the the fifth session of the Board of the Company, have obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 10 April 2025, 22 December 2025 and 13 January 2026. They have confirmed that he/she has understood his/her obligations as a Director of the Company.

Directors' Remuneration

During the Reporting Period, the Company paid allowance to each independent non-executive Director (RMB200,000/year before tax, paid on a quarterly basis, individual income tax shall be withheld by the Company). The Company paid allowance to each Director (other than independent non-executive Directors) (RMB160,000/year before tax, paid on a quarterly basis, individual income tax shall be withheld by the Company). For the Directors holding other positions in the Company, the Company also pays them remuneration based on their duties and performance.

For the details of remuneration of Directors, Supervisors and senior management of the Company, please refer to the section headed "Directors, Supervisors and Senior Management's Remuneration" of Report of the Board of Directors in this annual report.

Training of Directors

All Directors participated in continuous professional development training during the Reporting Period to develop and refresh their knowledge and skills in order to ensure that their contribution to the Board remains informed and relevant. Details of the training of current Directors during the Reporting Period are set out as below:

Directors	Directors' Responsibilities	Laws and Regulations	Sustainability Practices	Risk Management and Internal Controls	Financial Management	Industry Development Strategy	Workplace Safety	Completion of Training Hours by 2025
Executive Directors								
Mr. Huang Hanjie[1]	√	√	√	√	√	√	√	65
Mr. Nan Xinjian[2]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ms. Huang Fen[3]	√	√	√	√	√	√	√	60
Non-executive Directors								
Mr. Zhang Xin	√	√	√	√	√	√	√	70
Mr. Yang Xiaodong[4]	√	√	√	√	–	√	√	50
Mr. Hu Youcheng[5]	√	√	√	√	√	√	√	55
Independent Non-executive Directors								
Mr. Cui Xiang	√	√	√	√	–	√	√	62
Mr. Chen Weiping	√	√	√	√	–	√	√	70
Mr. Tam, Kwok Ming Banny	√	√	√	√	√	√	–	66

(1) Mr. Huang Hanjie was re-designated as an executive Director from non-executive Director of the Company on 24 November 2025, and appointed as Chairman.

(2) Mr. Nan Xinjian was appointed as an executive Director of the Company on 30 January 2026.

(3) Ms. Huang Fen was appointed as an executive Director of the Company on 29 April 2025.

(4) Mr. Yang Xiaodong was re-designated as a non-executive Director of the Company from executive director on 5 January 2026.

(5) Mr. Hu Youcheng was appointed as a non-executive Director of the Company on 30 December 2025.

(6) Mr. Zhang Jianxin was resigned as Chairman and executive Director of the Company on 24 November 2025.

(7) Ms. Kong Ying was resigned as an executive Director of the Company on 14 March 2025.

(8) Mr. Hu Weijun was resigned as an executive Director of the Company on 5 January 2026.

Corporate Governance Functions

The corporate governance functions were performed by the Board. The corporate governance functions include developing and reviewing the Company's policies and practices on corporate governance to comply with the CG Code and other legal or regulatory requirements; overseeing the Company's orientation program for new Directors; reviewing and monitoring the training and continuous professional development of Directors and senior management personnel; developing, reviewing and monitoring the code of conduct applicable to employees and Directors and compliance manual; and reviewing the Company's disclosure in the Corporate Governance Report. In 2025, the Board has reviewed the Company's corporate governance policies and regular training matters and reviewed the Corporate Governance Report in the Annual Report 2025.

The Board has developed the corporate governance policy of the Company and has fulfilled its duties. Meanwhile, it has developed and reviewed the Company's policies and practices on corporate governance and made recommendations to the Board, and reviewed and confirmed the following matters:

1. compliance with the CG Code and the disclosure in the Corporate Governance Report;

2. the Company has complied with the policies and practices on legal and regulatory requirements;

3. the code of conduct applicable to employees and Directors of the Company has been implemented; and

4. the Directors, Supervisors and senior management of the Company have participated in training and continuous professional development.

BOARD COMMITTEES

There are four Board committees, namely the Audit Committee, Remuneration and Assessment Committee, Nomination Committee and Strategy Committee.

Audit Committee

As at the end of the Reporting Period and as of the Latest Practicable Date, the Audit Committee consists of five Directors, including independent non-executive Directors, namely, Mr. Tam, Kwok Ming Banny, Mr. Cui Xiang, Mr. Chen Weiping and non-executive Directors, namely, Mr. Zhang Xin, Mr. Huang Hanjie (resigned on 24 November 2025) and Mr. Hu Youcheng (appointed on 30 December 2025), with Mr. Tam, Kwok Ming Banny as the chairman of the Audit Committee.

The Audit Committee is mainly responsible for the communication, supervision and review of internal and external audits of the Company, including:

1. to make suggestions to the Board for the appointment, re-appointment and change of external auditors, handle issues relating to the resignation or removal of such external auditors and make suggestions for the appointment contracts and audit fees of the relevant external auditors; to evaluate the work of external auditors, and supervise the independence and objectivity of the external auditors, as well as their effectiveness, quality and results of work procedures;

2. to supervise the internal audit system of the Company and its implementation;

3. to guide and evaluate the work of the internal auditing department of the Company, and to make suggestions as to the appointment and removal of the head of the internal auditing department;

4. to review the financial information of the Company and its disclosure;

5. to review and supervise the effective implementation of the financial reporting system, internal control system and risk management system of the Company;

6. to inspect and discuss the following arrangements made by the Company: the whistleblower system for employees of the Company to report on any potential misconducts in relation to financial reporting, internal control or other aspects; to ensure that the Company has put in place appropriate measures to carry out fair and independent investigations and follow-up actions in regard to such matters; to serve as the major channel between the Company and the external auditors and to supervise their relationship;

7. to audit and supervise connected transactions and evaluate their appropriateness;

8. exercising the powers of the Supervisory Board as defined in the Company Law;

9. other duties and powers as conferred by the Board;

10. to review routine matters in relation to risks as presented by the management and internal review team, including but not limited to the Company's corporate risk management structure, evaluation of internal control system, appendix to the global risk appetite framework, risk tolerance level and latest information on risks in the market; and

11. to review the adequacy of resources, staff qualifications and experience, training programme and budget of the Company's risk and compliance department.

The Audit Committee held ten meetings during the Reporting Period to consider and approve matters in relation to, among others, the Group's final financial report of 2024, annual report of 2024, provision for specific assets impairment, key financial information for the semi-annual, the first quarter and the third quarter of 2025, Xinjiang Tianchi's acquisition of equity in the target company and capital increase, the factoring framework agreement for accounts receivable, Xinjiang Tianchi's capital injection into the Silicon-based Innovation Centre, and Sunoasis's acquisition of equity in Xuyi High Drive and etc. The Audit Committee regularly met the risk monitoring team on an annual basis in accordance with its terms of reference without the presence of the management.

Remuneration and Assessment Committee

As at the end of the Reporting Period and as of the Latest Practicable Date, the Remuneration and Assessment Committee consists of five Directors, including independent non-executive Directors, namely Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny, and executive Directors, namely, Mr. Huang Hanjie (resigned on 24 November 2025), Mr. Hu Weijun (resigned on 5 January 2025) and Mr. Nan Xinjian (appointed on 30 January 2026) and a non-executive Director Mr. Hu Youcheng (appointed on 30 December 2025), with Mr. Cui Xiang as the chairman of the Remuneration and Assessment Committee.

The Company has adopted the model as proposed to the Board by the Remuneration and Assessment Committee in determining the remuneration packages of Directors, Supervisors and senior management.

The main duties of the Remuneration and Assessment Committee are to formulate the appraisal standards of Directors and managers of the Company, and to conduct appraisals, develop and review the remuneration policies and schemes of the Directors and managers of the Company. Details are as follows:

1. making suggestions to the Board in relation to the appraisal standards, general remuneration policies and structure of the Company's Directors and senior management, and formulating such remuneration policies for the purpose of establishing a formal and transparent mechanism, making recommendations to the Board, reviewing the performance appraisal standards of Directors and senior management, and conducting appraisals and giving suggestions;

2. reviewing and approving the proposed remuneration of the management according to corporate operating objectives, and making recommendations to the Board in relation to specific remuneration packages for Directors and senior management, including performance-based remuneration schemes. The Remuneration and Assessment Committee shall consider factors including the remuneration paid by comparable companies, time commitments and duties of the Directors, employment conditions of other positions of the Company, and whether the remuneration shall be determined based on results performance;

3. conducting appraisals on the performance of Directors and senior management based on the appraisal scheme, and deciding on their remuneration, rewards and punishments;

4. recommending to the Board on the remuneration packages of individual executive Directors and senior management, which include non-monetary benefits, pensions and compensation payments (including any compensation for their loss or termination of offices or appointments);

5. recommending to the Board on the remuneration of non-executive Directors, consulting with the general manager on the remuneration of other executive Directors and making recommendations with reference to the Company's remuneration system;

6. recommending to the Board on relevant compensation paid to executive Directors and senior management for their loss or termination of offices or appointments, and the compensation arrangements regarding the removal or dismissal of Directors due to their misconduct (and to ensure that the arrangements conform to the terms of service contracts between such Directors and the Company, or otherwise, the compensation shall be reasonable and appropriate);

7. ensuring that none of the Directors participates in determining his/her own remuneration;

8. being responsible for monitoring and supervising the implementation of the Company's remuneration system;

9. reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and

10. other duties and powers as conferred by the Board.

The Remuneration and Assessment Committee held one meeting during the Reporting Period to consider and approve the allowance plan for the Directors and Supervisors of the Company for 2025 and the remuneration standard for the senior management for 2025.

Nomination Committee

As at the end of the Reporting Period and as of the Latest Practicable Date, the Nomination Committee consisted of five Directors, including independent non-executive Directors, namely Mr. Chen Weiping, Mr. Cui Xiang and Mr. Tam, Kwok Ming Banny and executive Directors, namely, Mr. Zhang Jianxin (resigned on 24 November 2025), Ms. Kong Ying (resigned on 14 March 2025), Mr. Huang Hanjie (appointed on 24 November 2025) and Ms. Huang Fen (appointed on 29 April 2025), with Mr. Cui Xiang as the chairman of the Nomination Committee.

The main duties of the Nomination Committee are to identify and make recommendations on candidates, selection criteria and selection process in the selection of Directors and management officers of the Company. Details are as follows:

1. reviewing at least once a year the number, composition and organizational structure of the Board (including the age, cultural, professional knowledge, talents, skills, regional and industry experience, education background, gender, length of service and diversification of the Board members), assisting the Board to compile the Board skills table, and advising on personnel changes of the Board so as to strengthen the Company's development strategy;

2. considering the criteria and procedures for selecting Directors and senior management personnel and making recommendations thereon to the Board; developing or revising the Board Diversity Policy and focusing on developing board diversity in the member selection process. Factors to consider include but are not limited to gender, age, culture, perspectives, education background and work experience;

3. identifying qualified candidates as Directors and providing advice to the Board on the nominated candidates after due consideration on the Company's Board Diversity Policy, requirements for serving as a Director of the Company under the Articles of Association, Listing Rules and applicable laws and regulations, and the potential contributions that the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;

4. assessing the independence of independent non-executive Directors with reference to the factors set out in Rule 3.13 and Appendix C1 of the Listing Rules and any other factors deemed appropriate by the Nomination Committee or the Board; and assessing the ability to devote sufficient time to Board matters of a proposed independent non-executive Director when he/she will be holding his/her seventh (or more) directorship in listed company;

5. reviewing the particulars of the candidates for senior management personnel of the Company and making recommendations thereon;

6. providing advice on the appointment, re-appointment and succession plan of Directors to the Board, especially on the positions of chairman of the Board and senior management personnel;

7. evaluating on the structures of committees under the Board, recommending the Board members to serve as members of relevant committees, and submitting the recommendations to the Board for approval;

8. establishing the plan for reserving potential Directors and making updates from time to time;

9. evaluating the work of Directors and providing advice or recommendations on the replacement of Directors based on the evaluation results;

10. reviewing the implementation and effectiveness of the Nomination Policy (as defined below), procedures and criteria for the nomination and the Board Diversity Policy regularly;

11. considering the succession plan of the Board members, and conducting regular reviews thereon;

12. reviewing the time and contribution of Directors to the Board regularly, and using such assessments to determine whether Directors are performing their duties effectively; and

13. dealing with other matters as authorized by the Board.

The review process and criteria on candidates for directorship include: (1) collecting or requiring relevant departments of the Company to collect the information on the occupation, educational background, title, detailed working experience and all part-time jobs of the candidates, and preparing an outline of written materials; (2) convening meetings of the Nomination Committee to review whether the candidates' qualifications meet the requirements of directors of the Company, make suggestions and recommend appointments by way of proposals; and (3) carrying out other related work arrangements in accordance with the decisions of and feedback from the Board.

The relevant departments of the Company are responsible to cooperate with the Nomination Committee to carry out its work and provide relevant materials. The Nomination Committee shall be provided with sufficient resources to discharge its duties. The Nomination Committee shall be accountable to the Board. The recommendations provided by the Nomination Committee shall be submitted to the Board for consideration and approval. The Board shall be ultimately responsible for all matters in relation to the selection and appointment of the Directors.

Nomination Policy

The main duties of the Nomination Committee set out in 1 to 4 above are regarded as the key nomination criteria and principles of the Company for the nomination of Directors, and these provisions constitute the nomination policy of the Company (the "**Nomination Policy**"). The objective of the Nomination Policy is to ensure the members of the Board possess the skills, experiences, and multiple perspectives required for the business of the Company. The Nomination Committee considered that the composition of the Board of the Company was in compliance with the requirement of the Board Diversity Policy during the Reporting Period.

The Nomination Committee held three meeting during the Reporting Period, which reviewed the qualifications of the senior management personnel to be appointed by the Company and the qualifications of the candidates for directorship to be recommended by the Company, and considered and approved the structure, size and composition of the Board of the Company and the independence of the independent non-executive Directors.

Strategy Committee

As at the end of the Reporting Period and as of the Latest Practicable Date, the Strategy Committee consists of five Directors, including independent non-executive Directors, namely Mr. Cui Xiang and Mr. Chen Weiping, executive Directors, namely, Mr. Huang Hanjie (appointed as a member on 24 November 2025) and Mr. Zhang Jianxin (resigned on 24 November 2025), and non-executive Directors, namely, Mr. Zhang Xin and Mr. Yang Xiaodong (re-designated as a member from Chairman on 5 January 2026), with Mr. Huang Hanjie (re-designated as a Chairman from member on 5 January 2026) as the chairman of the Strategy Committee.

The main duties of the Strategy Committee are to review the Company's long-term development strategy and major investment decisions and to make recommendations thereon. Details are as follows:

1. reviewing the Company's long-term development strategic plans and making recommendations;

2. reviewing major investment and financing programs which require the approval of the Board as stated in the Articles of Association and making recommendations;

3. reviewing major capital operations and assets management projects which require the approval of the Board as stated in the Articles of Association and making recommendations;

4. reviewing other significant matters which may affect the Company's development and making recommendations;

5. inspecting the implementation of the above matters; and

6. other duties and powers as conferred by the Board.

During the Reporting Period, the Company did not hold any meetings of the Strategy Committee.

Attendance of the Directors at the Board committee meetings during the Reporting Period

	Meetings Attended/Held during Tenure			
Name	**Audit Committee**	**Remuneration and Assessment Committee**	**Nomination Committee**	**Strategy Committee**
Mr. Huang Hanjie[1]	10/10	1/1	0/0	0/0
Mr. Nan Xinjian[2]	N/A	N/A	N/A	N/A
Ms. Huang Fen[3]	N/A	N/A	1/1	N/A
Mr. Zhang Xin	10/10	N/A	N/A	0/0
Mr. Yang Xiaodong[4]	N/A	N/A	N/A	0/0
Mr. Hu Youcheng[5]	0/0	0/0	N/A	N/A
Mr. Cui Xiang	10/10	1/1	3/3	0/0
Mr. Chen Weiping	10/10	1/1	3/3	0/0
Mr. Tam, Kwok Ming Banny	10/10	1/1	3/3	N/A
Mr. Zhang Jianxin[6]	N/A	N/A	2/2	0/0
Ms. Kong Ying[7]	N/A	N/A	1/1	N/A
Mr. Hu Weijun[8]	N/A	1/1	N/A	N/A

(1) Mr. Huang Hanjie was resigned as a member of the Audit Committee and the Remuneration and Assessment Committee on 24 November 2025, and appointed as a member of the Nomination Committee and the Strategy Committee. He was subsequently re-designated as Chairman from a member of the Strategic Committee on 5 January 2026.

(2) Mr. Nan Xinjian was appointed as a member of the Remuneration and Assessment Committee on 30 January 2026.

(3) Ms. Huang Fen was appointed as a member of the Nomination Committee on 29 April 2025.

(4) Mr. Yang Xiaodong was re-designated as as a member from Chairman of the Strategic Committee on 5 January 2026.

(5) Mr. Hu Youcheng was appointed as a member of the Audit Committee and the Remuneration and Assessment Committee on 30 December 2025.

(6) Mr. Zhang Jianxin was resigned as a member of the Nomination Committee and the Strategy Committee on 24 November 2025.

(7) Ms. Kong Ying was resigned as a member of the Nomination Committee on 14 March 2025.

(8) Mr. Hu Weijun was resigned as a member of the Remuneration and Assessment Committee on 5 January 2026.

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors of the Company has complied with the independence guidelines as set out in Rule 3.13 of the Listing Rules and has submitted to the Company the requisite annual confirmation regarding their independence. None of the independent non-executive Directors of the Company has any business with or significant financial interests in the Company or its subsidiaries and therefore all the independent non-executive Directors continue to be considered by the Company to be independent as required by the Listing Rules.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board acknowledges its responsibility for preparing the consolidated financial statements of the Company during the Reporting Period.

The Board is responsible for presenting a clear and specific assessment of annual and interim reports, share price sensitive information and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment and give approval of the financial information and position of the Company.

There are no material uncertainties relating to events or conditions that may cast material doubts on the Group's ability to continue as a going concern.

In addition, the Company has arranged appropriate insurance coverage in respect of possible legal actions and liabilities against the Directors.

COMPLIANCE WITH THE MODEL CODE ON SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct governing dealings by its Directors and Supervisors in the securities of the Company. Having made specific enquiry, all Directors and Supervisors confirmed that they had strictly complied with the required standards set out in the Model Code during the Reporting Period. The Company has also set up guidelines in respect of the dealings by its relevant employees (as defined in the Listing Rules) in the Company's securities, which are on terms no less exacting than those in the Model Code. The Company is not aware of any breach of the guidelines by its relevant employees.

The Board will examine the corporate governance practices and operation of the Company from time to time in order to ensure compliance with relevant requirements under the Listing Rules and to protect Shareholders' interests.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group has built a strict, standardized, comprehensive and effective internal control system, with risk management as the guidance. Through "strong executive and strict accountability" and strengthened information management, the Group formulated rules and regulations including the "Internal Audit Management System", "Disciplinary Violations Management System", "Integrity Code" in accordance with relevant laws and regulations and the requirements of the Articles of Association for strict implementation, embedded risk management requirements into business processes to promote the enterprise to carry out operating activities in accordance with the laws and regulations, and realized the management and control objectives of "strengthen internal control, prevent risks and promote compliance", formed a comprehensive risk prevention and control mechanism involving all members, covering the entire process and system. The Supervisory Board, the Audit Committee, and the audit and supervision department of the Company carries out the internal audit function, to effectively safeguard the effectiveness of the internal control system and facilitate the stable operation of the enterprise.

Internal control review

During the Reporting Period, the Company carried out the annual review of internal control covering the Reporting Period for the improvement of systems, standardization of process and prevention of risks in accordance with the requirements of the enterprise internal control standard system, integrating the internal control system and evaluation methods, with a view to strengthening the execution of internal control through review, improving the internal control system, ensuring legal compliance of operation and management, assets safety, the truthfulness and completeness of financial reports and related information, enhancing the operating efficiency and effectiveness, and facilitating the realization of development strategies. The total assets of the main entities included in the review scope accounted for 91.09% of the total assets in the consolidated financial statements, and the total operating revenue accounted for 96.16% of the total revenue in the consolidated financial statements, covering the Group's important business matters and high-risk areas. The audits covered key risks in operation such as bidding management, financial management, asset management, bill management, inventory management, accounts receivable management, cost management, quality management, supplier management, engineering project management, safety management and connected transaction management, which provided full coverage of businesses with key risks.

Treatment procedures of deficiencies in internal control

According to the requirements of the enterprise internal control standard system for the identification of major defects, important defects and general defects, combined with the company's scale, industry characteristics, risk appetite and risk tolerance and other factors, the Company distinguishes between internal control over financial reporting and internal control over non-financial reporting, and studies and determines the specific identification standards for internal control defects applicable to the Company, which are consistent with previous years. The standards have been approved by the Board. After audit and inspection, the audit and supervision department of the Company will prepare a work report on the deficiencies and abnormalities, improvement suggestions and progress of treatment in respect of internal control, which will then be submitted to the Chairman and the management. The management of the Company proposed rectification measures and implemented rectification plans, and the Audit and Supervision Department continued to supervise the rectification situation; the audit and supervision department shall immediately report to the Audit Committee when it discovers material deficiencies or abnormalities in internal control of the Company, and the Board shall give practical solutions.

Review results on internal control

Having reviewed the effectiveness of the Company's internal control system during the Reporting Period, the Board is of the opinion that the Company's internal control system has been operating effectively and is adequate as of 31 December 2025, and that there are no material deficiencies with respect to the internal control. According to the requirements of the enterprise internal control standard system, regarding the general defects found during the Reporting Period, the Company has taken corresponding rectification measures to continuously improve its internal controls.

Internal controls have inherent limitations, the system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and any monitoring system can only provide reasonable assurances rather than absolute guarantees. Despite that, the Board is responsible for the risk management and internal control systems and the Board and management of the Company undertake to continuously improve the risk management and internal control system of the Company.

AUDITOR AND ITS REMUNERATION

SHINEWING has been appointed as the Company's auditor since 2021 and was approved at the 2024 AGM to be re-appointed as the auditor for the audit of the consolidated financial statements of the Company prepared in accordance with the CASBE for the year ended 31 December 2025. The Company has not changed its auditor during the past three years (including the Reporting Period).

In 2025, the Group paid a total of RMB5,213,483.61 (excluding tax) as auditor's remuneration, of which RMB4,710,204.64 was paid to SHINEWING for audit services, comprising RMB3,113,207.55 was paid for audit services for the consolidated annual report, RMB874,366.83 was paid for audit services for subsidiaries of the Company, and RMB722,630.26 was paid for non-audit services (tax services, consultancy services, etc.); and RMB503,278.97 was paid to other audit firms, which was mainly for the engineering audit fees and project transfer auditing fees paid for wind power and PV power plants projects due to business requirements.

GENERAL MEETINGS

During the Reporting Period, the Company held seven General Meetings, with certain Directors and senior management attending the General Meetings. The records of attendance of the Directors are as follows:

Name	Number of meetings required to be attended during tenure	Number of meetings attended during tenure
Mr. Huang Hanjie[1]	7	7
Mr. Nan Xinjian[2]	N/A	N/A
Ms. Huang Fen[3]	5	5
Mr. Zhang Xin	7	7
Mr. Yang Xiaodong[4]	7	7
Mr. Hu Youcheng[5]	0	0
Mr. Cui Xiang	7	7
Mr. Chen Weiping	7	7
Mr. Tam, Kwok Ming Banny	7	7
Mr. Zhang Jianxin[6]	3	3
Ms. Kong Ying[7]	1	1
Mr. Hu Weijun[8]	7	7

(1) Mr. Huang Hanjie was re-designated as an executive Director from non-executive Director of the Company on 24 November 2025, and appointed as Chairman.

(2) Mr. Nan Xinjian was appointed as an executive Director of the Company on 30 January 2026.

(3) Ms. Huang Fen was appointed as an executive Director of the Company on 29 April 2025.

(4) Mr. Yang Xiaodong was re-designated as a non-executive Director of the Company from executive director on 5 January 2026.

(5) Mr. Hu Youcheng was appointed as a non-executive Director of the Company on 30 December 2025.

(6) Mr. Zhang Jianxin was resigned as Chairman and executive Director of the Company on 24 November 2025.

(7) Ms. Kong Ying was resigned as an executive Director of the Company on 14 March 2025.

(8) Mr. Hu Weijun was resigned as an executive Director of the Company on 5 January 2026.

COMMUNICATION WITH SHAREHOLDERS

Shareholders' Rights

The Board is committed to maintaining an on-going dialogue with Shareholders and makes timely disclosure to Shareholders and investors as to the significant development of the Company. The General Meetings of the Company provide a forum for communication between Shareholders and the Board. Twenty-one days prior written notice for convening an annual general meeting shall be served to notify Shareholders, and fifteen days prior written notice for convening an extraordinary general meeting shall be served to notify Shareholders.

Shareholders who individually or collectively hold more than 10% of the shares of the Company shall have the right to request the Board to convene an extraordinary general meeting and shall submit such request in writing to the Board. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association of the Company, provide written feedback on whether it agrees or disagrees to convene an extraordinary general meeting within ten days after receiving the request.

If no notice of convening a general meeting was issued within 30 days after the Board of Directors received the above mentioned written request(s), the Shareholders making the request(s) can convene a meeting by themselves within four months after the Board of Directors received the above mentioned written request(s), and the procedures for convening such meeting shall follow the procedures of the general meeting convened by the Board of Directors as much as possible.

All reasonable expenses incurred for such meeting convened by the Shareholders as a result of the failure of the Board of Directors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting Directors.

Two or more Shareholders who jointly hold more than 10% (including 10%) of voting Shares of the Company may request the Board in writing in one or more duplicates, to convene an extraordinary general meeting or a Shareholders' class meeting, with the matters to be considered at the meeting stated in the request. The Board shall as soon as possible after receipt of the written request proceed to convene an extraordinary general meeting or a Shareholders' class meeting. The calculation of the above mentioned shareholdings shall be based on the information as at the date of deposit of the request.

The Company holds the General Meetings. Shareholder(s) individually or in aggregate holding over 3% of the Shares in the Company may propose extraordinary proposals and submit the same in writing to the convener ten days prior to the holding of the general meeting. The convener shall issue a supplemental notice of the general meeting within two days of the receipt of the proposals and announce the contents of the extraordinary proposals.

Shareholders' Enquiries and Communication

The Company publishes its announcements, financial information and other relevant information on the website of the Stock Exchange and the website of the Company at www.xinteenergy.com, as a channel to enhance effective communication. Shareholders are welcomed to make enquiries to the Company by sending the enquiries to the principal place of business of the Company in Hong Kong, or via phone, fax or email. The Company will respond to all enquiries in a timely and appropriate manner.

The Company has adopted the arrangement of electronic dissemination of corporate communications (as defined in Rule 1.01 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, representing any document(s) issued or to be issued by the Company for information or action of holders of any of its securities, including but not limited to (a) annual report; (b) interim report; (c) notice of meeting; (d) listing document; (e) circular; and (f) proxy form). Both the English and Chinese versions of all corporate communications will be available on the website of the Company (www.xinteenergy.com) and the HKEXnews website (www.hkexnews.hk) in place of printed copies. Shareholders may contact the Company if they want to receive corporate communications in printed form, or wish to receive them via email.

Information about the principal place of business in Hong Kong of the Company and investors' means of enquiries and communication is set out on page 3 of this annual report.

The Board welcomes Shareholders' views and encourages them to attend General Meetings to communicate and raise any concerns they might have with the Board or the management. The Chairman of the Board and the chairmen of the respective Board committees usually attend the annual general meeting and other general meetings to address shareholders' queries.

During the Reporting Period, the Company has reviewed the implementation and effectiveness of shareholder communications policy.

Information Disclosure and Investor Relations

The Company is committed to timely and fairly disclosures of comprehensive and accurate information to investors, and focuses on the maintenance of sound investors relations and maintains effective communication with investors through various means. After the Company's announcements of its interim and annual results, the Board is committed to providing shareholders with clear and comprehensive results by releasing or publishing interim and annual reports. During the Reporting Period, the management and investor relations management department of the Company communicated with investors and analysts in relation to the operating results and business development trends of the Group from time to time by way of investors' investigation and research, attending major investment forums, receiving telephone calls and emails, etc. to strengthen communication with investors and facilitate the understanding of management, financial conditions, operations, strategies and plans of the Company by investors. The Company also proactively provides investor relations information on the Company's website, with a view to establishing and maintaining a good relationship with investors.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODES

As a company listed on the Stock Exchange, the Company is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. During the Reporting Period, the Company complied with all code provisions of the CG Code as set out in C1 of Listing Rules, and adopted the recommended best practices set out therein, if applicable. Meanwhile, the Group will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code. For details of the Company's corporate governance and sustainability strategy, please refer to the 2025 Environmental, Social and Governance Report issued by the Company on 28 April 2026.

JOINT COMPANY SECRETARIES

Ms. Zhang Juan ("**Ms. Zhang**"), the joint company secretary of the Company, is responsible for advising the Board regarding corporate governance issues, and ensures compliance with the policies and procedures of the Board, applicable laws, rules and regulations. In order to maintain good corporate governance and ensure compliance with the Listing Rules and applicable laws of Hong Kong, the Company also appointed Ms. Chan Yin Wah ("**Ms. Chan**"), an associate director of SWCS Corporate Services Group (Hong Kong) Limited (a secretarial service provider), as the joint company secretary of the Company, who assisted Ms. Zhang in performing her duties as the company secretary of the Company. Ms. Zhang was the primary corporate contact person between the Company and Ms. Chan.

During the Reporting Period, in order to perform duties more effectively and in accordance with the requirements of the Hong Kong Listing Rules, each of Ms. Zhang and Ms. Chan, the joint company secretaries of the Company, received professional training of not less than 15 hours and reported the work to the Chairman of the Board.

HUMAN RESOURCES

Human Resources

As of 31 December 2025, the Group has a total of 7,512 employees, and their gender, professional and educational background are as follows:

Items	Categories	Number of people	Percentage to the total number of people
Gender	Male employee	6,072	80.83%
	Female employee	1,440	19.17%
	Total	7,512	100.00%
Profession	Production personnel	3,689	49.11%
	R&D technicians	1,232	16.40%
	Management personnel	1,435	19.10%
	Salesperson	743	9.89%
	Financial personnel	124	1.65%
	Others	289	3.85%
	Total	7,512	100.00%
Education	PhD degree	43	0.57%
	Master	1,050	13.98%
	Undergraduate	4,144	55.17%
	Others	2,275	30.28%
	Total	7,512	100.00%

As at 31 December 2025, the female employees of the Group accounted for approximately 19.17% of the Group's total employees and 40.00% of its senior management, respectively.

The salary of the Group's employees comprises basic salary and performance-based salary. The performance-based salary is determined in accordance with the Group's results and the performance assessment of the employees. During the Reporting Period, the Group paid a total of RMB2,348.06 million in salary to its employees.

The Group attaches great importance to the cultivation and development of its employees, and from the perspective of talent team construction, post qualification and business demands, established a skill improvement course system corresponding to staff career for all employees regarding the career development at different levels and in different positions. Meanwhile, focusing on the cultivation of core employees in scientific and technological innovation projects and the recognition of qualifications in basic posts during the cultivation and development of talents, the Group broadened the horizons and enriched the knowledge of employees, and constantly improved the staff self-discipline and professional skills by undertaking science and technology innovation, technological breakthrough and lean production projects.

The Group firmly prohibits any discriminatory terms and practices based on gender, age, ethnicity, race, religious belief, region and other factors. It has established a diversified recruitment and promotion evaluation system that is job demand-oriented and competency-focused, ensuring that all job applicants and existing employees enjoy equal opportunities for employment and career development. With regard to the protection of female employees' rights and interests, the Group provides full protection throughout the entire process including recruitment, job placement, remuneration determination, maternity protection and career development, effectively safeguarding their equal rights and eliminating gender discrimination and unfair treatment. In the implementation of employee rights protection, the Group's human resources department and compliance supervision department are responsible for the standard signing of labor contracts, whole process performance tracking, dispute resolution and closed-loop response to employees' reasonable demands, so as to safeguard employees' rights to know, participate in and supervise their legitimate rights and interests. Meanwhile, the Group continuously enhances employees' awareness of legal rights protection through regular internal publicity of relevant regulations, and strictly verifies that the age of recruits meets statutory requirements, so as to fundamentally eliminate illegal employment practices such as child labor, forced labor and discriminatory labor.

For further details, please refer to the Company's 2025 Environmental, Social and Governance Report published on 28 April 2026.

INSIDE INFORMATION

With respect to procedures and internal controls for the handling and dissemination of inside information:

1. the Company has established the Disclosure of Inside Information Policy and Measures ("**Measures**") System Documents. The Measures ensure that potential share price-sensitive information or "inside" information be timely confirmed, assessed and reported level by level to the Board which determines whether the information should be disclosed to ensure compliance with the SFO;

2. the Company is aware of its obligations under the SFO and the Listing Rules and the overriding principle that inside information should be announced immediately after such information comes to our attention and/or it is the subject of a decision unless it falls within the "Safe Harbour rules" set out in the SFO;

3. the Company conducts its affairs with close regard to the "Guidelines on Disclosure of Inside Information" and "Recent Economic Developments and the Disclosure Obligations of Listed Issuers" issued by the Securities and Futures Commission in June 2012 and the Stock Exchange in 2008 respectively; and

4. the Company has established and implemented procedures for responding to external enquiries about the Group's affairs. Senior officers of the Group are designated and authorised to act as the Company's spokesperson and respond to such enquiries in specific areas of issues.

Independent Auditor's Report

TO THE SHAREHOLDERS OF XINTE ENERGY CO., LTD.

I. OPINION

We have audited the financial statements of Xinte Energy Co., Ltd. ("**Xinte Energy**"), which comprise the consolidated and the parent company's balance sheets as at 31 December 2025, and the consolidated and the parent company's statements of income, the consolidated and the parent company's statements of cash flows, the consolidated and the parent company's statements of changes in shareholders' equity for the year of 2025, and the notes to the financial statements.

In our opinion, the accompanying financial statements are prepared and present fairly, in all material respects, the consolidated and the parent company's financial position as at 31 December 2025, and the consolidated and the parent company's operation results and cash flows for the year of 2025 of Xinte Energy in accordance with the requirements of Accounting Standards for Business Enterprises.

II. BASIS FOR OPINION

We conducted our audit in accordance with the China Standards on Auditing. Our responsibilities under those standards are further described in the section headed "Certified Public Accountants' Responsibilities for the Audit of the Financial Statements" in our report. We are independent of Xinte Energy in accordance with the independence requirements set out in the Independence Standards for Chinese Certified Public Accountants and the Code of Ethics for Chinese Certified Public Accountants that are applicable to audits of financial statements of public interest entities, and we have fulfilled our other independent and ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year of 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Recognition of operating revenue	
Key audit matters	**Measures in audit**
As stated in Notes III. 27 and V. 42 of the financial statements, the operating revenue of Xinte Energy in 2025 was RMB15,254,497,100; of which product sales revenue and engineering construction revenue accounted for 41.00% and 38.78% of Xinte Energy's operating revenue, respectively. We identified the recognition of product sales revenue and engineering construction revenue as key audit matters: (1) Identifying the recognition of product sales revenue as a key audit matter was mainly due to the fact that the occurrence and integrity of product sales revenue would have a significant impact on the operating results of Xinte Energy; (2) Identifying the recognition of engineering construction revenue as a key audit matter was mainly due to the fact that the relevant accounting involves significant accounting estimates and judgments. For the engineering construction projects provided, Xinte Energy recognizes the revenue within a certain period of time according to the progress of contract performance. The progress of contract performance is determined using the input method based on the proportion of the completed contract costs actually incurred for the performance of the contract to the estimated total contract costs over the contract period. The management estimates the estimated total revenue and estimated total cost of projects at the commencement of the projects, and continuously evaluates and revises such estimates during the execution of contracts. The determination of the estimated total revenue, the estimated total cost, and the progress of contract performance involves important accounting estimates and judgments of the management, and has a significant impact on the amount and period of revenue recognition.	For the recognition of product sales revenue, our key audit procedures conducted are as follows: 1. Understood, evaluated and tested the management's design and implementation of key internal controls related to product sales revenue recognition to confirm the effectiveness of internal controls; 2. Selected samples to check the sales contracts, analyzed and evaluated the time point of the transfer of control rights of goods related to the recognition of product sales revenue, and evaluated whether the time point of revenue recognition complied with the requirements of the Accounting Standards for Business Enterprises; 3. Checked the supporting documents related to revenue recognition, including sales contracts, shipping notes, sales invoices, and customer receipts, etc., to check the authenticity of the product sales revenue that had been recognized; 4. Selected samples to carry out visits and correspondence procedures to verify the authenticity and integrity of their income; 5. Performed cut-off test on product sales revenue to check whether revenue recognition was recorded in the correct accounting period; 6. Checked whether the disclosures related to product sales revenue met the disclosure requirements of the Accounting Standards for Business Enterprises.

1. Recognition of operating revenue	
Key audit matters	**Measures in audit**
	For the recognition of engineering construction revenue, our key audit procedures conducted are as follows: 1. Understood, evaluated and tested the management's design and implementation of key internal controls related to the recognition of engineering construction revenue to confirm the effectiveness of internal controls; 2. Checked the terms of construction contracts, evaluated the correctness of the management's judgment on the performance of contracts at a certain point in time or within a certain period of time, and evaluated the rationality of the management's determination on transaction prices and variable considerations; 3. Selected samples of engineering construction contracts, checked the engineering construction contracts and cost budget data on which the estimated total revenue and estimated total cost were based, and determined whether the estimates made by the management were reasonable and the basis of which was sufficient; 4. Selected samples of engineering construction contracts and checked supporting documents such as contracts, invoices, material receipts and statements of account that actually occurred for engineering costs to determine whether the actual contract performance costs incurred were appropriate; 5. Selected samples of engineering construction contracts and calculated the progress of contract performance based on the estimated total costs and the accumulated actual engineering costs to verify their accuracy and determine the accuracy of the recognition of engineering construction revenue; 6. Selected samples to carry out visits and correspondence procedures to verify the authenticity and integrity of their income; 7. Checked whether the disclosures related to engineering construction revenue met the disclosure requirements of the Accounting Standards for Business Enterprises.

IV. OTHER INFORMATION

The management of Xinte Energy (the "**Management**") is responsible for the other information. The other information includes information included in Xinte Energy's 2025 annual report, but does not include the financial statements and our audit report.

Our audit opinion on the financial statements does not cover the other information, nor do we express any form of assurance conclusion on the other information.

In connection with our audit on the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or what we learned during the audit or appears to be materially misstated.

Based on the work we have performed, if we determine that there is material misstatement in the other information, we should report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Accounting Standards for Business Enterprises, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing Xinte Energy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern assumption unless the Management either intends to liquidate Xinte Energy or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Xinte Energy's financial reporting process.

VI. CERTIFIED PUBLIC ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As performing an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and the purpose is not to express an opinion on the effectiveness of internal controls.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

(4) Conclude on the appropriateness of the Management's use of going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Xinte Energy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by the China Standards on Auditing to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, we shall 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 Xinte Energy to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance 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, related safeguards.

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

SHINEWING Certified Public Accountants LLP

Chinese Certified Public Accountant:
(Engagement Partner)

Chinese Certified Public Accountant:

Beijing, the PRC

27 March 2026

Consolidated Balance Sheet

31 December 2025, prepared by: Xinte Energy Co., Ltd. Unit: RMB

Items	Notes	31 December 2025	31 December 2024
Current assets:			
Monetary capital	V.1	**9,246,573,935.07**	11,663,084,839.76
Clearing settlement funds		**—**	—
Loans to other banks		**—**	—
Financial assets held for trading	V.2	**84,947,050.09**	78,940,678.80
Derivative financial assets		**—**	—
Notes receivable	V.3	**139,748,306.09**	1,000,881,742.08
Accounts receivable	V.4	**6,149,484,539.22**	5,058,443,314.06
Receivables financing	V.6	**1,103,918,158.70**	1,151,997,262.66
Prepayments	V.7	**854,058,795.14**	506,194,611.41
Premiums receivable		**—**	—
Reinsurance accounts receivable		**—**	—
Reinsurance contract reserve receivable		**—**	—
Other receivables	V.8	**360,666,906.32**	427,546,014.72
Including: Interests receivable		**—**	—
Dividends receivable	V.8	**91,079,838.60**	106,296,344.58
Financial assets held under resale agreements		**—**	—
Inventories	V.9	**5,250,516,753.26**	4,725,097,705.71
Including: Data resource		**—**	—
Contract assets	V.5	**1,311,035,284.25**	2,369,842,664.10
Assets held for sale		**—**	—
Non-current assets due within one year	V.10	**218,596,250.02**	—
Other current assets	V.11	**1,586,966,090.81**	1,650,806,253.10
Total current assets		**26,306,512,068.97**	28,632,835,086.40

Consolidated Balance Sheet

31 December 2025, prepared by: Xinte Energy Co., Ltd.

Unit: RMB

Items	Notes	31 December 2025	31 December 2024
Non-current assets:			
Loans and advances		—	—
Debt investments		—	—
Other debt investments		—	—
Long-term receivables		—	—
Long-term equity investments	V.12	**2,886,299,369.84**	873,273,826.17
Other equity instrument investments	V.13	**131,796,295.80**	121,824,188.20
Other non-current financial assets		—	—
Investment properties		—	—
Fixed assets	V.14	**41,160,077,627.25**	41,000,088,297.20
Construction in progress	V.15	**5,601,866,040.33**	5,124,457,555.11
Productive biological assets		—	—
Oil and gas assets		—	—
Right-of-use assets	V.16	**321,908,751.89**	309,812,191.72
Intangible assets	V.17	**1,487,430,818.45**	1,452,357,894.94
Including: Data resources		—	—
Development expenses		—	—
Including: Data resources		—	—
Goodwill		—	—
Long-term deferred expenses	V.18	—	32,900,747.35
Deferred income tax assets	V.19	**1,325,967,094.22**	1,343,338,959.91
Other non-current assets	V.20	**2,899,242,302.47**	2,789,697,449.76
Total non-current assets		**55,814,588,300.25**	53,047,751,110.36
Total assets		**82,121,100,369.22**	81,680,586,196.76

Consolidated Balance Sheet

31 December 2025, prepared by: Xinte Energy Co., Ltd. Unit: RMB

Items	Notes	31 December 2025	31 December 2024
Current liabilities:			
Short-term borrowings	V.21	**1,131,337,437.66**	610,425,093.20
Borrowing from central bank		**—**	—
Loans from other banks		**—**	—
Financial liabilities held for trading	V.22	**7,488,887.79**	47,711,848.71
Derivative financial liabilities		**—**	—
Notes payable	V.23	**4,898,259,810.05**	7,569,903,513.31
Accounts payable	V.24	**10,132,958,077.56**	10,870,449,359.21
Advances received		**—**	—
Contract liabilities	V.25	**2,216,997,538.73**	2,164,684,531.16
Proceeds from sale of repurchase financial assets		**—**	—
Deposits from clients and placements from other banks		**—**	—
Deposit for agency security transaction		**—**	—
Deposit for agency security underwriting		**—**	—
Staff remuneration payables	V.26	**677,499,606.04**	792,851,622.02
Taxes payable	V.27	**195,465,393.90**	429,038,910.22
Other payables	V.28	**774,570,080.30**	440,617,877.53
Including: Interests payable		**—**	—
Dividends payable		**—**	—
Handling fees and commission payable		**—**	—
Reinsurance accounts payable		**—**	—
Liabilities held for sale		**—**	—
Non-current liabilities due within one year	V.29	**2,502,800,906.55**	2,507,216,231.35
Other current liabilities	V.30	**346,486,810.95**	258,592,958.76
Total current liabilities		**22,883,864,549.53**	25,691,491,945.47
Non-current liabilities:			
Provision for insurance contracts		**—**	—
Long-term borrowings	V.31	**20,393,841,627.95**	19,072,968,954.91
Bonds payable		**—**	—
Including: Preference shares		**—**	—
Perpetual bonds		**—**	—
Lease liabilities	V.32	**380,256,522.31**	255,392,622.22
Long-term payables		**—**	—
Long-term staff remuneration payables		**—**	—
Accrued liabilities	V.33	**513,058,247.37**	260,686,999.54
Deferred income	V.34	**558,611,348.00**	561,491,229.27
Deferred income tax liabilities	V.19	**301,746,578.43**	460,969,368.31
Other non-current liabilities	V.35	**43,533,218.47**	83,859,832.43
Total non-current liabilities		**22,191,047,542.53**	20,695,369,006.68
Total liabilities		**45,074,912,092.06**	46,386,860,952.15

Consolidated Balance Sheet

31 December 2025, prepared by: Xinte Energy Co., Ltd.

Unit: RMB

Items	Notes	31 December 2025	31 December 2024
Shareholders' equity:			
Share capital	V.36	**1,430,000,000.00**	1,430,000,000.00
Other equity instruments		**—**	—
Including: Preference shares		**—**	—
Perpetual bonds		**—**	—
Capital reserve	V.37	**9,655,318,392.52**	9,833,949,220.16
Less: Treasury shares		**—**	—
Other comprehensive income	V.38	**-104,590,544.24**	-135,337,283.02
Special reserve	V.39	**58,703,365.02**	41,180,844.93
Surplus reserve	V.40	**981,955,892.67**	981,955,892.67
General risk reserve		**—**	—
Undistributed profit	V.41	**19,436,115,451.59**	20,641,591,615.72
Total equity attributable to the shareholders of the parent company		**31,457,502,557.56**	32,793,340,290.46
Non-controlling interest		**5,588,685,719.60**	2,500,384,954.15
Total shareholders' equity		**37,046,188,277.16**	35,293,725,244.61
Total liabilities and shareholders' equity		**82,121,100,369.22**	81,680,586,196.76

Balance Sheet of the Parent Company

31 December 2025, prepared by: Xinte Energy Co., Ltd.

Unit: RMB

Items	Notes	31 December 2025	31 December 2024
Current assets:			
Monetary capital		**965,891,136.72**	1,921,563,988.72
Financial assets held for trading		**5,208,456.70**	—
Derivative financial assets		**—**	—
Notes receivable		**61,329,452.35**	29,954,447.32
Accounts receivable	XVII.1	**181,955,507.64**	479,319,017.14
Receivables financing		**102,656,675.16**	3,538,291.32
Prepayments		**61,692,626.43**	6,724,358.86
Other receivables	XVII.2	**1,840,494,885.78**	3,787,398,799.52
Including: Interests receivable		**—**	—
Dividends receivable		**1,069,479,393.78**	1,059,479,393.78
Inventories		**318,351,874.45**	40,879,883.73
Including: Data resources		**—**	—
Contract assets		**611,257.34**	—
Assets held for sale		**—**	—
Non-current assets due within one year		**218,596,250.02**	—
Other current assets		**472,861,390.27**	86,031,684.29
Total current assets		**4,229,649,512.86**	6,355,410,470.90
Non-current assets:			
Debt investments		**—**	—
Other debt investments		**—**	—
Long-term receivables		**—**	—
Long-term equity investments	XVII.3	**19,848,575,001.00**	18,086,474,879.05
Other equity instrument investments		**129,796,295.80**	120,824,188.20
Other non-current financial assets		**—**	—
Investment properties		**—**	—
Fixed assets		**3,723,145,956.95**	4,053,857,928.61
Construction in progress		**128,695,709.39**	15,492,840.29
Productive biological assets		**—**	—
Oil and gas assets		**—**	—
Right-of-use assets		**—**	—
Intangible assets		**186,700,592.27**	190,860,876.74
Including: Data resources		**—**	—
Development expenses		**—**	—
Including: Data resources		**—**	—
Goodwill		**—**	—
Long-term deferred expenses		**—**	—
Deferred income tax assets		**—**	—
Other non-current assets		**114,059,087.48**	226,224,354.54
Total non-current assets		**24,130,972,642.89**	22,693,735,067.43
Total assets		**28,360,622,155.75**	29,049,145,538.33

31 December 2025, prepared by: Xinte Energy Co., Ltd. Unit: RMB

Items	Notes	31 December 2025	31 December 2024
Current liabilities:			
Short-term borrowings		—	—
Financial liabilities held for trading		4,579,644.57	38,641,480.00
Derivative financial liabilities		—	—
Notes payable		427,164,988.83	513,893,326.65
Accounts payable		711,228,461.39	826,193,808.15
Advances received		—	—
Contract liabilities		902,929,240.00	896,175,099.76
Staff remuneration payable		152,656,210.57	157,372,329.99
Taxes payable		22,158,076.95	2,969,333.21
Other payables		4,345,507,875.97	5,442,288,330.59
Including: Interests payable		—	—
Dividends payable		—	—
Liabilities held for sale		—	—
Non-current liabilities due within one year		87,804,914.19	80,000,000.00
Other current liabilities		121,919,526.73	137,357,767.25
Total current liabilities		6,775,948,939.20	8,094,891,475.60
Non-current liabilities:			
Long-term borrowings		1,365,500,000.00	286,000,000.00
Bonds payable		—	—
Including: Preference shares		—	—
Perpetual bonds		—	—
Lease liabilities		—	—
Long-term payables		—	—
Long-term staff remuneration payables		—	—
Accrued liabilities		—	7,035,168.08
Deferred income		284,183,245.34	264,707,359.33
Deferred income tax liabilities		68,596,745.59	194,178,592.48
Other non-current liabilities		—	—
Total non-current liabilities		1,718,279,990.93	751,921,119.89
Total liabilities		8,494,228,930.13	8,846,812,595.49

Balance Sheet of the Parent Company

31 December 2025, prepared by: Xinte Energy Co., Ltd. Unit: RMB

Items	Notes	31 December 2025	31 December 2024
Shareholders' equity:			
Share capital		**1,430,000,000.00**	1,430,000,000.00
Other equity instruments		**—**	—
Including: Preference shares		**—**	—
Perpetual bonds		**—**	—
Capital reserve		**9,282,562,502.30**	9,280,740,942.59
Less: Treasury shares		**—**	—
Other comprehensive income		**-115,960,866.70**	-129,175,789.32
Special reserve		**13,874,589.21**	1,288,374.30
Surplus reserve		**980,338,798.74**	980,338,798.74
Undistributed profit		**8,275,578,202.07**	8,639,140,616.53
Total shareholders' equity		**19,866,393,225.62**	20,202,332,942.84
Total liabilities and shareholders' equity		**28,360,622,155.75**	29,049,145,538.33

Consolidated Statement of Income

2025, prepared by: Xinte Energy Co., Ltd. Unit: RMB

Items			Notes	2025	2024
I.	**Total operating revenue**		V.42	**15,254,497,141.74**	21,212,979,955.79
	Including:	Operating revenue	V.42	**15,254,497,141.74**	21,212,979,955.79
		Interest income		**–**	–
		Premium earned		**–**	–
		Handling fees and commission income		**–**	–
II.	**Total operating cost**			**16,621,117,839.12**	22,863,665,407.91
	Including:	Operating cost	V.42	**13,833,388,726.50**	19,851,623,116.66
		Interest expenses		**–**	–
		Handling fees and commission expenses		**–**	–
		Surrender value		**–**	–
		Net payment of insurance claims		**–**	–
		Net provision of insurance liability reserve		**–**	
		Premium bonus expenses		**–**	–
		Reinsurance expenses		**–**	–
		Taxes and surcharges	V.43	**225,850,047.36**	179,475,029.43
		Selling expenses	V.44	**698,818,614.51**	685,609,442.66
		Administrative expenses	V.45	**881,682,206.73**	1,178,300,770.72
		R&D expenses	V.46	**369,015,776.93**	367,025,868.06
		Financial expenses	V.47	**612,362,467.09**	601,631,180.38
		Including: Interest expenses		**669,337,288.36**	711,250,981.25
		Interest income		**105,939,941.47**	145,390,956.03
	Add:	Other revenue	V.48	**124,711,898.21**	157,606,266.89
		Investment income (loss is represented by "-")	V.49	**1,083,645,054.33**	767,342,960.72
		Including: In vestment income from associates and joint ventures		**527,591,268.09**	65,237,228.68
		Gains from derecognition of financial assets measured at amortized cost		**-44,949,180.50**	-26,738,131.51
		Gains from foreign exchange (loss is represented by "-")		**–**	–
		Gains from net exposure to hedging (loss is represented by "-")		**–**	–
		Gain on changes in fair value (loss is represented by "-")	V.50	**–**	-45,751,031.20
		Impairment loss of credit (loss is represented by "-")	V.51	**-73,488,952.21**	5,878,262.06
		Impairment loss of assets (loss is represented by "-")	V.52	**-810,397,720.54**	-3,415,979,490.95
		Gains from disposal of assets (loss is represented by "-")	V.53	**28,663,956.55**	11,122,289.20
III.	**Operating profit (loss is represented by "-")**			**-1,013,486,461.04**	-4,170,466,195.40
	Add:	Non-operating revenue	V.54	**34,103,229.99**	100,714,637.33
	Less:	Non-operating expenses	V.55	**109,866,180.78**	9,620,540.53

Consolidated Statement of Income

2025, prepared by: Xinte Energy Co., Ltd. Unit: RMB

Items	Notes	2025	2024
IV. Total profit (total loss is represented by "-")		**-1,089,249,411.83**	-4,079,372,098.60
Less: Income tax expense	V.56	**244,880,666.60**	-35,634,936.71
V. Net profit (net loss is represented by "-")		**-1,334,130,078.43**	-4,043,737,161.89
(I) Classified by continuity of operations		**-1,334,130,078.43**	-4,043,737,161.89
1. Net profit from continuing operations (net loss is represented by "-")		**-1,334,130,078.43**	-4,043,737,161.89
2. Net profit from discontinued operation (net loss is represented by "-")		**–**	–
(II) Classified by ownership		**-1,334,130,078.43**	-4,043,737,161.89
1. Net profit attributable to owners of the parent company (net loss is represented by "-")		**-1,205,476,164.13**	-3,904,879,436.49
2. Profit or loss attributable to non-controlling interests (net loss is represented by "-")		**-128,653,914.30**	-138,857,725.40
VI. Net other comprehensive income after tax		**32,246,202.67**	-131,366,087.42
Net other comprehensive income after tax attributable to owners of the parent company		**30,746,738.78**	-131,291,847.02
(I) Other comprehensive income not reclassified to profit or loss		**8,972,107.60**	-129,175,789.32
1. Changes arising on remeasurement of defined benefit plans		**–**	–
2. Other comprehensive income accounted for using the equity method that cannot be reclassified to profit or loss		**–**	–
3. Changes in fair value of investments in other equity instruments		**8,972,107.60**	-129,175,789.32
4. Changes in fair value of own credit risk of the Company		**–**	–
5. Others		**–**	–
(II) Other comprehensive income to be reclassified to profit or loss		**21,774,631.18**	-2,116,057.70
1. Other comprehensive income accounted for using the equity method that may be reclassified to profit or loss		**–**	–
2. Changes in fair value of other debt investments		**–**	–
3. Amount of financial assets reclassified into other comprehensive income		**–**	–
4. Provisions for credit impairment of other debt investments		**–**	–
5. Reserve for cash flow hedging (effective portion of profit or loss on cash flow hedging)		**27,839,037.34**	–
6. Exchange differences on translation of financial statements in foreign currency		**-6,064,406.16**	-2,116,057.70
7. Others		**–**	–
Net other comprehensive income after tax attributable to non-controlling interest		**1,499,463.89**	-74,240.40

2025, prepared by: Xinte Energy Co., Ltd.

Unit: RMB

Items	Notes	2025	2024
VII. Total comprehensive income		**-1,301,883,875.76**	-4,175,103,249.31
Total comprehensive income attributable to shareholders of the parent company		**-1,174,729,425.35**	-4,036,171,283.51
Total comprehensive income attributable to non-controlling interests		**-127,154,450.41**	-138,931,965.80
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		**-0.8430**	-2.7307
(II) Diluted earnings per share (RMB/share)		**-0.8430**	-2.7307

Income Statement of the Parent Company

2025, prepared by: Xinte Energy Co., Ltd. Unit: RMB

Items			Notes	2025	2024
I.	**Operating revenue**		XVII.4	**2,758,607,269.36**	3,791,055,868.57
	Less:	Operating cost	XVII.4	**2,388,797,178.75**	3,708,955,740.48
		Taxes and surcharges		**24,861,417.98**	28,952,341.65
		Selling expenses		**6,867,331.81**	5,473,921.60
		Administrative expenses		**261,320,002.71**	328,768,162.19
		R&D expenses		**8,607,646.69**	39,190,628.05
		Financial expenses		**168,118,195.90**	-1,548,700.61
		Including: Interest expenses		**190,266,988.05**	20,853,548.07
		Interest income		**24,868,134.37**	21,462,469.32
	Add:	Other revenue		**55,320,437.70**	71,471,114.99
		Investment income (loss is represented by "-")	XVII.5	**193,736,455.55**	1,823,371,661.07
		Including: Investment income from associates and joint ventures		**279,912,623.69**	–
		Gains from derecognition of financial assets measured at amortized cost		**–**	–
		Gains from net exposure to hedging (loss is represented by "-")		**–**	–
		Gain on changes in fair value (loss is represented by "-")		**–**	-37,238,914.00
		Impairment loss of credit (loss is represented by "-")		**-463,181,001.06**	-4,925,760.08
		Impairment loss of assets (loss is represented by "-")		**-76,481,795.79**	-1,166,700,063.13
		Gains from disposal of assets (loss is represented by "-")		**23,439,916.41**	3,114,270.74
II.	**Operating profit (loss is represented by "-")**			**-367,130,491.67**	370,356,084.80
	Add:	Non-operating revenue		**11,002,225.27**	5,285,495.96
	Less:	Non-operating expenses		**98,853,732.91**	7,314,328.13
III.	**Total profit (total loss is represented by "-")**			**-454,981,999.31**	368,327,252.63
	Less:	Income tax expense		**-91,419,584.85**	233,460,284.63
IV.	**Net profit (net loss is represented by "-")**			**-363,562,414.46**	134,866,968.00
	(I)	Net profit from continuing operations (net loss is represented by "-")		**-363,562,414.46**	134,866,968.00
	(II)	Net profit from discontinued operation (net loss is represented by "-")		**–**	–

2025, prepared by: Xinte Energy Co., Ltd. Unit: RMB

Items	Notes	2025	2024
V. Net other comprehensive income after tax		**13,214,922.62**	-129,175,789.32
(I) Other comprehensive income not reclassified to profit or loss		**8,972,107.60**	-129,175,789.32
1. Changes arising on remeasurement of defined benefit plans		**–**	–
2. Other comprehensive income accounted for using the equity method that cannot be reclassified to profit or loss		**–**	–
3. Changes in fair value of investments in other equity instruments		**8,972,107.60**	-129,175,789.32
4. Changes in fair value of own credit risk of the Company		**–**	–
5. Others		**–**	–
(II) Other comprehensive income to be reclassified to profit or loss		**4,242,815.02**	–
1. Other comprehensive income accounted for using the equity method that may be reclassified to profit or loss		**–**	–
2. Changes in fair value of other debt investments		**–**	–
3. Amount of financial assets reclassified into other comprehensive income		**–**	–
4. Provisions for credit impairment of other debt investments		**–**	–
5. Reserve for cash flow hedging (effective portion of profit or loss on cash flow hedging)		**4,242,815.02**	–
6. Exchange differences on translation of financial statements in foreign currency		**–**	–
7. Others		**–**	–
VI. Total comprehensive income		**-350,347,491.84**	5,691,178.68
VII. Earnings per share			
(I) Basic earnings per share (RMB/share)		**–**	–
(II) Diluted earnings per share (RMB/share)		**–**	–

Consolidated Statement of Cash Flows

2025, prepared by: Xinte Energy Co., Ltd.

Unit: RMB

Items		Notes	2025	2024
I.	**Cash flows from operating activities:**			
	Cash received from sales of goods and provision of services		**17,429,971,466.74**	25,513,284,529.76
	Net increase in deposits from clients and placements from other banks		**—**	—
	Net increase in borrowings from central bank		**—**	—
	Net increase in loans from other financial institutions		**—**	—
	Cash received from premiums of original insurance contracts		**—**	—
	Net cash received from reinsurance business		**—**	—
	Net increase in deposits from policyholders and investments		**—**	—
	Cash received from interest, handling fees, and commissions		**—**	—
	Net increase in loans from other banks		**—**	—
	Net increase in repurchases business fund		**—**	—
	Net cash received from agency security transaction		**—**	—
	Receipt of tax rebates		**274,761,243.23**	1,035,978,920.26
	Other cash received from activities relating to operation	V.57	**533,325,678.98**	611,418,642.37
	Sub-total of cash inflow from operating activities		**18,238,058,388.95**	27,160,682,092.39
	Cash paid for goods purchased and services rendered		**16,066,430,312.05**	21,208,120,296.79
	Net increase in loans and advances to customers		**—**	—
	Net increase in placements with central bank and other banks		**—**	—
	Cash paid for claims on original insurance contracts		**—**	—
	Net increase in loans to other banks		**—**	—
	Cash payment for interest, handling fees, and commissions		**—**	—
	Cash payment for premium bonus		**—**	—
	Cash paid to and on behalf of staff		**2,348,061,400.03**	2,296,662,196.46
	Taxes paid		**1,425,979,304.60**	1,168,091,432.37
	Other cash paid for activities relating to operating activities	V.57	**513,321,374.97**	733,231,412.80
	Sub-total of cash outflow from operating activities		**20,353,792,391.65**	25,406,105,338.42
	Net cash flows generated from operating activities		**-2,115,734,002.70**	1,754,576,753.97

2025, prepared by: Xinte Energy Co., Ltd. Unit: RMB

Items	Notes	2025	2024
II. Cash flow generated from investment activities:			
Cash received from disposal of investments		**5,506,173,369.57**	2,435,907,916.82
Cash received from gains in investments		**60,487,562.34**	106,453,080.86
Net cash received from disposal of fixed assets, intangible assets, and other long-term assets		**44,766,346.03**	17,967,513.22
Net cash received from disposal of subsidiaries and other operating entities		**609,793,373.58**	1,553,163,874.19
Other cash received relating to investment activities	V.57	**610,652,779.98**	289,013,112.60
Sub-total of cash inflow from investment activities		**6,831,873,431.50**	4,402,505,497.69
Cash paid for purchase of fixed assets, intangible assets, and other long-term assets		**5,480,751,262.78**	6,010,293,911.31
Cash paid for investment		**4,066,591,913.99**	7,826,098,212.60
Net increase in pledged loans		**—**	—
Net cash paid for acquiring subsidiaries and other operating entities		**—**	—
Other cash paid relating to investment activities	V.57	**185,501,677.11**	66,139,107.16
Sub-total of cash outflow from investment activities		**9,732,844,853.88**	13,902,531,231.07
Net cash flow generated from investment activities		**-2,900,971,422.38**	-9,500,025,733.38
III. Cash flow from financing activities:			
Proceeds received from investments		**3,199,733,200.00**	569,713,000.00
Including: Proceeds received by subsidiaries from minority interests' investment		**3,199,733,200.00**	569,713,000.00
Cash received from borrowings		**12,649,426,065.68**	10,192,661,549.59
Other cash received relating to financing activities	V.57	**1,143,011,600.13**	569,365,220.99
Sub-total of cash inflow from financing activities		**16,992,170,865.81**	11,331,739,770.58
Cash paid for repayment of debts		**9,034,015,842.95**	5,739,183,505.54
Cash payments for dividend and profit distribution or interest repayment		**740,550,095.54**	1,203,800,746.57
Including: Dividend and profit paid by subsidiaries to minority interests		**63,324,083.62**	460,811,530.51
Other cash paid relating to financing activities	V.57	**1,695,749,055.58**	3,017,266,039.33
Sub-total of cash outflow from financing activities		**11,470,314,994.07**	9,960,250,291.44
Net cash flow generated from financing activities		**5,521,855,871.74**	1,371,489,479.14

Consolidated Statement of Cash Flows

2025, prepared by: Xinte Energy Co., Ltd. Unit: RMB

Items	Notes	2025	2024
IV. Effect on cash and cash equivalents due to changes in foreign exchange rates		**5,572,701.52**	1,242,175.14
V. Net increase in cash and cash equivalents		**510,723,148.18**	-6,372,717,325.13
Add: Balance of cash and cash equivalents at the beginning of the period		**5,494,514,947.49**	11,867,232,272.62
VI. Balance of cash and cash equivalents at the end of the period		**6,005,238,095.67**	5,494,514,947.49

Statement of Cash Flows of the Parent Company

2025, prepared by: Xinte Energy Co., Ltd. Unit: RMB

Items	Notes	2025	2024
I. Cash flows from operating activities:			
Cash received from sales of goods and provision of services		**1,210,592,188.90**	1,963,202,540.39
Receipt of tax rebates		**—**	—
Other cash received from activities relating to operation		**104,557,117.42**	93,813,893.15
Sub-total of cash inflow from operating activities		**1,315,149,306.32**	2,057,016,433.54
Cash paid for goods purchased and services rendered		**1,175,695,909.02**	2,576,784,395.11
Cash paid to and on behalf of staff		**231,849,082.94**	421,005,897.15
Taxes paid		**84,471,579.18**	184,215,438.88
Other cash paid for activities relating to operating activities		**17,094,428.87**	153,685,553.74
Sub-total of cash outflow from operating activities		**1,509,111,000.01**	3,335,691,284.88
Net cash flows generated from operating activities		**-193,961,693.69**	-1,278,674,851.34
II. Cash flow generated from investment activities:			
Cash received from disposal of investments		**460,000,000.00**	130,000,000.00
Cash received from gains in investments		**58,223,260.75**	1,198,671,786.66
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**68,851,751.75**	16,569,257.39
Net cash received from disposal of subsidiaries and other operating entities		**3,701,513.62**	—
Other cash received relating to investment activities		**—**	15,900,000.00
Sub-total of cash inflow from investment activities		**590,776,526.12**	1,361,141,044.05
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		**123,006,015.94**	78,833,470.90
Cash paid for investment		**2,807,725,800.00**	2,639,663,191.57
Net cash paid for acquiring subsidiaries and other operating entities		**—**	—
Other cash paid relating to investment activities		**147,173,407.68**	66,149,623.51
Sub-total of cash outflow from investment activities		**3,077,905,223.62**	2,784,646,285.98
Net cash flow generated from investment activities		**-2,487,128,697.50**	-1,423,505,241.93

Statement of Cash Flows of the Parent Company

2025, prepared by: Xinte Energy Co., Ltd. Unit: RMB

Items		Notes	2025	2024
III.	**Cash flow from financing activities:**		—	—
	Proceeds received from investments		—	—
	Cash received from borrowings		1,460,000,000.00	—
	Other cash received relating to financing activities		1,822,026,629.27	8,588,247,759.70
	Sub-total of cash inflow from financing activities		3,282,026,629.27	8,588,247,759.70
	Cash paid for repayment of debts		373,500,000.00	550,000,000.00
	Cash payments for dividend and profit distribution or interest repayment		24,866,468.08	21,253,508.33
	Other cash paid relating to financing activities		1,522,778,326.46	4,316,342,534.54
	Sub-total of cash outflow from financing activities		1,921,144,794.54	4,887,596,042.87
	Net cash flow generated from financing activities		1,360,881,834.73	3,700,651,716.83
IV.	**Effect on cash and cash equivalents due to changes in foreign exchange rates**		-1,564,640.05	2,194,829.05
V.	**Net increase in cash and cash equivalents**		-1,321,773,196.51	1,000,666,452.61
	Add: Balance of cash and cash equivalents at the beginning of the period		1,707,735,026.31	707,068,573.70
VI.	**Balance of cash and cash equivalents at the end of the period**		385,961,829.80	1,707,735,026.31

Consolidated Statement of Changes in Shareholders' Equity

2025, prepared by: Xinte Energy Co., Ltd. Unit: RMB

Items	2025														
	Equity attributable to the shareholders of the parent company												Non-controlling interest	Total shareholders' equity
	Share capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Sub-total		
I. Balance at the end of previous year	1,430,000,000.00	-	-	-	9,833,949,220.16	-	-135,337,283.02	41,180,844.93	981,955,892.67	-	20,641,591,615.72	-	32,793,340,290.46	2,500,384,954.15	35,293,725,244.61
Add: Changes in accounting policy													-	-	-
Prior-period error correction													-	-	-
Merger of enterprises under common control													-	-	-
Others													-	-	-
II. Balance at the beginning of the current year	1,430,000,000.00	-	-	-	9,833,949,220.16	-	-135,337,283.02	41,180,844.93	981,955,892.67	-	20,641,591,615.72	-	32,793,340,290.46	2,500,384,954.15	35,293,725,244.61
III. Amount of increase/decrease/ change in the current year (decrease is represented by "-")	-	-	-	-	-178,630,827.64	-	30,746,738.78	17,822,520.09	-	-	-1,205,476,164.13	-	-1,335,837,732.90	3,088,300,765.45	1,752,463,032.55
(I) Total comprehensive income							30,746,738.78				-1,205,476,164.13		-1,174,729,425.35	-127,154,450.41	-1,301,883,875.76
(II) Contribution and reduction of capital by shareholders	-	-	-	-	-178,630,827.64	-	-	-	-	-	-	-	-178,630,827.64	3,278,674,637.04	3,100,043,809.40
1. Ordinary shares contributed by shareholders													2,764,500,624.01	2,764,500,624.01	
2. Capital contributed by other equity instrument holders													-	-	-
3. Amount included in Shareholders' equity in share payment													-	-	-
4. Others					-178,630,827.64								-178,630,827.64	514,174,013.03	335,543,185.39
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-63,324,083.62	-63,324,083.62
1. Withdrawal of surplus reserves													-	-	-
2. Withdrawal of general risk reserve													-	-	-
3. Distributions to Shareholders													-	-	-
4. Others													-	-63,324,083.62	-63,324,083.62
(IV) Carry-forward of Shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Translation of capital reserves to increase share capital													-	-	-
2. Translation of surplus reserves to increase share capital													-	-	-
3. Making up of losses by surplus reserves													-	-	-
4. Carry-forward of retained earnings from changes in defined benefit plans													-	-	-
5. Carry-forward of retained earnings from other comprehensive income													-	-	-
6. Others													-	-	-
(V) Special reserves	-	-	-	-	-	-	-	17,822,520.09	-	-			17,522,520.09	104,892.44	17,627,182.53
1. Current withdrawal								146,442,492.68					146,442,492.68	10,877,285.97	157,319,778.65
2. Current use								128,919,972.59					128,919,972.59	10,772,623.53	139,692,596.12
(VI) Others													-		-
IV. Balance at the end of the current year	1,430,000,000.00	-	-	-	9,655,318,392.52	-	-104,590,544.24	58,703,365.02	981,955,892.67	-	19,436,115,451.59	-	31,457,502,557.56	5,588,685,719.60	37,046,188,277.16

Consolidated Statement of Changes in Shareholders' Equity

2025, prepared by: Xinte Energy Co., Ltd.

Unit: RMB

Items	2024 Equity attributable to the shareholders of the parent company														
	Share capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Sub-total	Non-controlling interest	Total shareholders' equity
I. Balance at the end of previous year	1,430,000,000.00	–	–	–	9,436,990,755.09	–	-4,045,436.00	21,664,476.17	981,955,892.67	–	24,546,471,052.21	–	36,413,036,740.14	4,818,824,226.66	41,231,860,966.80
Add: Changes in accounting policy													–		–
Prior-period error correction													–		–
Merger of enterprises under common control													–		–
Others													–		–
II. Balance at the beginning of the current year	1,430,000,000.00	–	–	–	9,436,990,755.09	–	-4,045,436.00	21,664,476.17	981,955,892.67	–	24,546,471,052.21	–	36,413,036,740.14	4,818,824,226.66	41,231,860,966.80
III. Amount of increase/decrease/ change in the current year (decrease is represented by "-")	–	–	–	–	396,958,465.07	–	-131,291,847.02	19,516,368.76	–	–	-3,904,879,436.49	–	-3,619,696,449.68	-2,318,439,272.51	-5,938,135,722.19
(I) Total comprehensive income							-131,291,847.02				-3,904,879,436.49		-4,036,171,283.51	-138,931,965.80	-4,175,103,249.31
(II) Contribution and reduction of capital by shareholders	–	–	–	–	396,958,465.07	–	–	–	–	–	–	–	396,958,465.07	-1,725,780,069.55	-1,328,821,604.48
1. Ordinary shares contributed by shareholders													–	-1,430,539,054.80	-1,430,539,054.80
2. Capital contributed by other equity instrument holders													–		–
3. Amount included in Shareholders' equity in share payment					105,604,242.78								105,604,242.78		105,604,242.78
4. Others					291,354,222.29								291,354,222.29	-295,241,014.75	-3,886,792.46
(III) Profit distribution	–	–	–	–	–	–	–	–	–	–	–	–	–	-460,811,530.51	-460,811,530.51
1. Withdrawal of surplus reserves													–		–
2. Withdrawal of general risk reserve													–		–
3. Distributions to Shareholders													–	-460,811,530.51	-460,811,530.51
4. Others													–		–
(IV) Carry-forward of Shareholders' equity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1. Translation of capital reserves to increase share capital													–		–
2. Translation of surplus reserves to increase share capita													–		–
3. Making up of losses by surplus reserves													–		–
4. Carry-forward of retained earnings from changes in defined benefit plans													–		–
5. Carry-forward of retained earnings from other comprehensive income													–		–
6. Others													–		–
(V) Special reserves	–	–	–	–	–	–	–	19,516,368.76	–	–	–	–	19,516,368.76	7,084,293.35	26,600,662.11
1. Current withdrawal								175,401,588.31					175,401,588.31	24,385,631.57	199,787,219.88
2. Current use								155,885,219.55					155,885,219.55	17,301,338.22	173,186,557.77
(VI) Others													–		–
IV. Balance at the end of the current year	1,430,000,000.00	–	–	–	9,833,949,220.16	–	-135,337,283.02	41,180,844.93	981,955,892.67	–	20,641,591,615.72	–	32,793,340,290.46	2,500,384,954.15	35,293,725,244.61

Statement of Changes in Shareholders' Equity of the Parent Company

2025, prepared by: Xinte Energy Co., Ltd. Unit: RMB

Items	2025												
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total shareholders' equity
		Preference shares	Perpetual bonds	Others								
I. Balance at the end of previous year	1,430,000,000.00	-	-	-	9,280,740,942.59	-	-129,175,789.32	1,288,374.30	930,338,798.74	8,639,140,616.53	-	20,202,332,942.84
Add: Changes in accounting policy												-
Prior-period error correction												-
Others												-
II. Balance at the beginning of the current year	1,430,000,000.00	-	-	-	9,280,740,942.59	-	-129,175,789.32	1,288,374.30	930,338,798.74	8,639,140,616.53	-	20,202,332,942.84
III. Amount of increase/decrease/change in the current year (decrease is represented by "-")	-	-	-	-	1,821,559.71	-	13,214,922.62	12,586,214.91	-	-363,582,414.46	-	-335,939,717.22
(I) Total comprehensive income							13,214,922.62			-363,582,414.46		-350,347,491.84
(II) Contribution and reduction of capital by shareholders	-	-	-	-	1,821,559.71	-	-	-	-	-	-	1,821,559.71
1. Ordinary shares contributed by shareholders												-
2. Capital contributed by other equity instrument holders												-
3. Amount included in Shareholders' equity in share payment												-
4. Others					1,821,559.71							1,821,559.71
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal of surplus reserves												-
2. Distributions to shareholders												-
3. Others												-
(IV) Carry-forward of Shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-
1. Translation of capital reserves to increase share capital												-
2. Translation of surplus reserves to increase share capital												-
3. Making up of losses by surplus reserves												-
4. Carry-forward of retained earnings from changes in defined benefit plans												-
5. Carry-forward of retained earnings from other comprehensive income												-
6. Others												-
(V) Special reserves	-	-	-	-	-	-	-	12,586,214.91	-	-	-	12,586,214.91
1. Current withdrawal								19,680,585.63				19,680,585.63
2. Current use								7,094,370.72				7,094,370.72
(VI) Others												-
IV. Balance at the end of the current year	1,430,000,000.00	-	-	-	9,282,562,502.30	-	-115,960,866.70	13,874,589.21	930,338,798.74	8,275,678,202.07	-	19,866,392,225.62

Statement of Changes in Shareholders' Equity of the Parent Company

2025, prepared by: Xinte Energy Co., Ltd.

Unit: RMB

Items	2024											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total shareholders' equity
		Preference shares	Perpetual bonds	Others								
I. Balance at the end of previous year	1,430,000,000.00	–	–	–	9,175,136,699.81	–	–	–	980,338,798.74	8,504,273,648.53	–	20,089,749,147.08
Add: Changes in accounting policy												–
Prior-period error correction												–
Others												–
II. Balance at the beginning of the current year	1,430,000,000.00	–	–	–	9,175,136,699.81	–	–	–	980,338,798.74	8,504,273,648.53	–	20,089,749,147.08
III. Amount of increase/decrease/change in the current year (decrease is represented by "-")	–	–	–	–	105,604,242.78	–	–129,175,789.32	1,288,374.30	–	134,866,988.00	–	112,583,795.76
(I) Total comprehensive income							–129,175,789.32			134,866,988.00		5,691,178.68
(II) Contribution and reduction of capital by shareholders	–	–	–	–	105,604,242.78	–	–	–	–	–	–	105,604,242.78
1. Ordinary shares contributed by shareholders												–
2. Capital contributed by other equity instrument holders												–
3. Amount included in Shareholders' equity in share payment					105,604,242.78							105,604,242.78
4. Others												–
(III) Profit distribution	–	–	–	–	–	–	–	–	–	–	–	–
1. Withdrawal of surplus reserves												–
2. Distributions to shareholders												–
3. Others												–
(IV) Carry-forward of Shareholders' equity	–	–	–	–	–	–	–	–	–	–	–	–
1. Translation of capital reserves to increase share capita												–
2. Translation of surplus reserves to increase share capital												–
3. Making up of losses by surplus reserves												–
4. Carry-forward of retained earnings from changes in defined benefit plans												–
5. Carry-forward of retained earnings from other comprehensive income												–
6. Others												–
(V) Special reserves	–	–	–	–	–	–	–	1,288,374.30	–	–	–	1,288,374.30
1. Current withdrawal								28,132,108.73				28,132,108.73
2. Current use								26,843,734.43				26,843,734.43
(VI) Others												–
IV. Balance at the end of the current year	1,430,000,000.00	–	–	–	9,280,740,942.59	–	–129,175,789.32	1,288,374.30	980,338,798.74	8,639,140,616.53	–	20,202,332,942.84

I. GENERAL INFORMATION OF THE COMPANY

(I) Company Profile

1. Name of the Company: Xinte Energy Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**")

2. Date of establishment of the Company: 20 February 2008

3. Registered capital: RMB1.43 billion (RMB1,430,000,000.00)

4. Address: No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang

5. Legal representative: Nan Xinjian

6. On 30 December 2015, the H shares issued by the Company were listed on the Main Board of the Hong Kong Stock Exchange

7. Scope of business: general items: manufacturing of non-metallic mineral products; sales of non-metallic minerals and products; manufacturing of PV equipment and components; sales of PV equipment and components; manufacturing of electronic specialized materials; sales of electronic specialized materials; manufacturing of special ceramic products; sales of special ceramic products; manufacturing of synthetic materials (excluding hazardous chemicals); sales of synthetic materials; sales of metal matrix composite materials and ceramic matrix composite materials; sales of graphite and carbon products; processing and treatment of non-metallic waste and scrap; import and export of goods; import and export of technology; technology service, technology development, technology consultation, technology exchange, technology transfer, technology promotion; sales of machinery and equipment; sales of mechanical and electrical equipment; sales of metal materials; sales of building materials; house leasing; non-residential real estate leasing. (Except for items that need to be approved according to law, business activities can be carried out independently with business licenses according to law) approved items: installation, maintenance and testing of power transmission, supply and reception facilities; power generation business, power transmission business, power supply (distribution) business; production of hazardous chemicals; road freight transportation (excluding hazardous goods); international road freight transportation. (For items that require approval according to law, business activities can be carried out only upon approval by relevant authorities, and specific business items shall be subject to approval documents or licenses from relevant authorities)

I. GENERAL INFORMATION OF THE COMPANY (Continued)

(I) Company Profile (Continued)

8. Parent company and ultimate holding company of the Company: TBEA Co., Ltd. (特變電工股份有限公司) ("**TBEA**"), the legal domicile of which is No. 189, Beijing South Road, Changji City, Changji Prefecture, Xinjiang.

9. Company registration number/unified social credit code: 916500006702303076

(II) Nature of Business

The Group's polysilicon business falls within the "computer, communication and other electronic equipment manufacturing industry", wind power and photovoltaic ("**PV**") power plants development and construction business falls within "professional technical services", wind power and PV power plants operation business falls within the "electricity and heat production and supply industry", and the "manufacture and sale of electrical equipment" business falls within "other general equipment manufacturing industry".

(III) Main Business

The Group is principally engaged in the research and development, production and sales of high-purity polysilicon; the development, construction and operation of wind power and PV power plants; and the manufacture and sale of electrical equipment including inverters, static VAR generator ("**SVG**"), energy storage and flexible direct current transmission converter valves ("**FDC Converter Valve**"). These financial statements were authorized for issue by the Board of the Company on 27 March 2026.

II. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements of the Group have been prepared based on transactions and events that have actually occurred, in accordance with the Accounting Standards for Business Enterprises and its application guidance, interpretations and other related requirements issued by the Ministry of Finance (the "**ASBE**") and relevant disclosure provisions under the Hong Kong Companies Ordinance and the Listing Rules of the Hong Kong Stock Exchange.

2. Going concern

The Group has evaluated its ability to go as a going concern for the 12 months from the end of the Reporting Period and has not identified matters and circumstances that raise significant doubt on its going concern ability. The financial statements are presented on a going concern basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates indication: specific accounting policies and accounting estimates developed by the Group according to characteristics of actual production and operation includes provisions for bad debts from receivables, provisions for inventory depreciation, fixed assets depreciation, amortization of intangible assets, conditions for capitalizing R&D expenses, recognition and measurement of incomes, etc.

Details of the critical judgements, significant accounting estimates and key assumptions applied by the Group in determining significant accounting policies are set forth in Notes III (35).

1. Statement of compliance with the ASBE

The Group declares that the financial statements comply with the ASBE, which reflect the financial position as at 31 December 2025, and results of operation and cash flow of the Company and the Group in 2025 truly and completely.

2. Accounting period

The accounting period of the Group is from 1 January to 31 December of each calendar year.

3. Business cycle

The normal business cycle is the period from the acquisition of assets for processing to the realization of cash or cash equivalents. The business cycle of the Group is 12 months, which is used as a criterion for classifying the liquidity of assets and liabilities.

4. Recording currency

Renminbi ("**RMB**") is the currency of the main economic environment where the Company and its domestic subsidiaries operate and is, therefore, their recording currency. The recording currency of the overseas subsidiaries of the Company is determined based on the main economic environment where they operate. The currency adopted by the Group for the preparation of these financial statements is RMB.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

5. Determination method and selection basis of materiality criteria

The preparation and disclosure of financial statements of the Group follow the principle of materiality. Matters involving judgment of materiality standards disclosed in the notes to these financial statements and the determination methods and selection basis of materiality standards are as follows:

Disclosures involving judgments on materiality criteria	Disclosure sections of matters in the notes to the financial statements	Determination method and selection basis of materiality criteria
Significant receivables with provision for bad debt made on an individual basis	V. 4	The amount of receivables with provision for bad debt made on an individual basis exceeds RMB30 million
Significant amount of receivables with provision for bad debt recovered or reversed		The amount of single receivables with provision for bad debt recovered or reversed exceeds RMB10 million
Significant write-off of receivables		The amount of single receivables write-off exceeds RMB10 million
Significant changes in the carrying amount of contract assets	V. 5	The amount of changes in the carrying amount of contract assets accounts for 30% of the opening balance of contract assets or the amount exceeds RMB100 million
Significant prepayments aged more than one year	V. 7	The amount of single prepayments aged more than one year
Significant construction in progress	V. 15	The amount of single construction in progress exceeds RMB100 million
Significant accounts payable aged more than one year	V. 24	The amount of single and significant accounts payable aged more than one year exceeds RMB100 million
Significant contract liabilities aged more than one year	V. 25	The amount of single and significant contract liability aged more than one year exceeds RMB50 million
Significant changes in the carrying amount of contract liabilities		The amount of changes in the carrying amount of contract assets accounts for 30% of the opening balance of contract assets or the amount exceeds RMB100 million

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

5. Determination method and selection basis of materiality criteria (Continued)

Disclosures involving judgments on materiality criteria	Disclosure sections of matters in the notes to the financial statements	Determination method and selection basis of materiality criteria
Significant other payables aged more than one year	V. 28	The amount of single and significant other payables aged more than one year exceeds RMB50 million
Significant non-wholly owned subsidiaries	VIII. 1 (2)	The amount of any one of total revenue, net profit, net assets, and total assets of non-wholly owned subsidiaries accounts for more than 8% of the Group's consolidated amount for any one item.
Significant joint ventures or associates	VIII. 3	The carrying amount of long-term equity investments in a single associate/ joint venture accounts for more than 5% of the Group's net assets, or the investment profit or loss under the equity method of long-term equity investments accounts for more than 8% of the Group's consolidated net profit.
Significant commitments and contingencies	XIV. 1, 4	Single and significant commitment and contingency of the Group which may affect an amount exceeding 5% of the Group's net assets or commitments and contingencies deemed to be significant by management in light of the specific circumstances in which the Group operates.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

6. Accounting treatment method for business merger under common control and different control

(1) Business merger under common control

A business merger under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

The assets and liabilities acquired by the Group, as the combination party, from the business merger under common control should be measured at the carrying amount in the consolidated financial statements of the ultimate controlling party of the combined party. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration of the merger paid shall be used to adjust the capital reserves; where the capital reserves are not sufficient to offset, the retained earnings shall be adjusted.

(2) Business merger under different control

A business merger under different control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination.

The identifiable assets, liabilities, and contingent liabilities of the acquiree acquired by the Group as the acquirer in the business merger under different control are measured at fair value at the acquisition date. Where the cost for merging exceeds the fair value of the acquiree's identifiable net assets obtained in the business merger, the difference is recognized as goodwill. Where the cost for merging is less than the fair value of the acquiree's identifiable net assets obtained in the business merger, the fair value of all identifiable assets, liabilities, and contingent liabilities obtained in the merger and the cost for merging are reviewed. After the review, if the cost of merging is still less than the fair value of the acquiree's identifiable net assets obtained in the business merger, the difference shall be included in current nonoperating revenue.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

7. Judgment criteria of control and preparation methods of consolidated financial statements

The scope of consolidation in the consolidated financial statements of the Group is determined on a control basis and covers the Company and all of its subsidiaries. The Group's control judgment criteria are as follows: the Group has power over the investee, is entitled to variable returns through its participation in the investee's related activities, and has the ability to use its power over the investee to influence the amount of its returns.

When preparing consolidated financial statements, if the accounting policy or the accounting period adopted is inconsistent between the subsidiaries and the Company, necessary adjustments shall be made to the financial statements of subsidiaries according to the accounting policy or the accounting period of the Company.

The impact of internal transactions between the Company and its subsidiaries and among the subsidiaries on the consolidated financial statements is eliminated on consolidation. Shares in owners' equity of subsidiaries but not attributed to the parent company, net profit or loss for the current period, other comprehensive income and shares attributed to non-controlling interests in total comprehensive income shall be listed in consolidated financial statements as "non-controlling interests, non-controlling profit or loss, other comprehensive income attributed to minority shareholders and total comprehensive income attributed to minority shareholders".

Operating results and cash flows of subsidiaries that are acquired by the business merger under common control are included in the consolidated financial statements at the beginning of the current period of the merger. Upon the preparation of comparative consolidated financial statements, any adjustments to relevant items in financial statements of the previous year are considered as the subject of reports formed after the merger as if it might have existed since the time when the final controlling party began to take control.

As for subsidiaries acquired by business mergers under different control, operating results and cash flows shall be incorporated into consolidated financial statements from the date when the Group takes control. In preparing consolidated financial statements, adjustments to financial statements of subsidiaries are based on the fair value of identifiable assets, liabilities, and contingent liabilities, which are identified at the purchase date.

Where the Group partially disposes of its long-term equity investment in a subsidiary without loss of control, for the difference between the disposal price and the share of the subsidiary's net assets calculated on a continuing basis from the purchase date or the combination date corresponding to the disposal of the long-term equity investment, the capital reserves or equity premium shall be adjusted in the consolidated financial statements, or the retained earnings shall be adjusted if the capital reserves are insufficient to be written down.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

7. Judgment criteria of control and preparation methods of consolidated financial statements (Continued)

Where control right over the investee is lost due to the disposal of partial equity investment of the Group or other reasons, the residual equity will be re-calculated based on the fair value thereof on the day the control is lost when preparing the consolidated financial statements. The difference between the sum of the consideration obtained from the equity disposal and the fair value of the residual equity less the share of the net assets of the original subsidiaries calculated continuously in proportion to the original holdings from the purchase date or date of merging shall be recorded into the investment profit or loss of the current period in which the control right is lost, with goodwill written off simultaneously. Other comprehensive income related to the equity investment of the original subsidiaries shall be converted to the current investment profit or loss when losing the control right.

When the Group disposes of its equity investment in a subsidiary in stages through multiple transactions until it loses control over the subsidiary, and if it belongs to a package deal, each transaction shall be accounted for as a single transaction of disposing of the subsidiary and losing control of the subsidiary. However, the difference between the price of each disposal prior to the loss of control and the share of the subsidiary's net assets corresponding to the investment disposed of is recognized in the consolidated financial statements as other comprehensive income and transferred to investment gains and losses for the period of the loss of control when control is lost. If the equity investment in the subsidiary is disposed of in stages through multiple transactions until the control is lost, and it is not a package transaction, each transaction shall be accounted for separately according to whether the control is lost.

8. Classification of joint arrangements and accounting treatment method for joint operations

The Group's joint arrangements include joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

In projects for joint operation, for assets held and liabilities assumed solely, which are confirmed by the Group as the joint-venture party in joint operation and assets held and liabilities assumed according to shares, their relevant income and costs shall be determined as per related individual agreements or shares. If purchase or sales related to joint operations are not construed as assets transactions of business, it should only determine the parts that belong to other participants of the joint operation in profit or loss arising from such transactions.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

9. Cash and cash equivalents

Cash shown in the cash flow statement of the Group refers to the cash on hand and deposits that are available for payment at any time. Cash equivalent in the cash flow statement refers to the investments that have a holding period of not more than 3 months, are of strong liquidity, and are readily convertible to known amounts of cash with a low risk of value change.

10. Foreign currency operations and translation of foreign currency financial statements

(1) Foreign currency transaction

The foreign currency transactions of the Group are initially recognized by using the spot exchange rate (or the actual situation, such as the average exchange rate or weighted average exchange rate for the period of the transaction) on the date of the transaction to translate the foreign currency amount into a recording currency amount. At the balance sheet date, monetary items denominated in foreign currencies are translated into the recording currency using the spot exchange rate at the balance sheet date, and the resulting translation differences are charged directly to profit or loss for the current period, except for exchange differences arising from specialized borrowings denominated in foreign currencies for the purpose of acquiring, constructing or producing assets eligible for capitalization, which are capitalized; non-monetary item in foreign currency measured at historical cost continues to be translated using the spot exchange rate at the date of the transaction and does not change the recording currency in which it is recorded; non-monetary item measured at fair value in a foreign currency is translated using the spot exchange rate at the date the fair value is determined, and the difference between the translated amount in the recording currency and the original amount in the local currency is treated as a change in fair value (including exchange rate changes) and recognized in profit or loss for the current period; capital contributions received from investors in foreign currencies are translated using the spot exchange rate on the date of the transaction, and no foreign currency capital translation differences arise between the capital contributions in foreign currencies and the carrying amounts of the corresponding monetary items in the local currency.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Foreign currency operations and translation of foreign currency financial statements (Continued)

(2) Translation of financial statements in foreign currency

The Group translates the financial statements of its foreign operations into RMB in the preparation of its consolidated financial statements, of which: the asset and liability items in the foreign currency balance sheet shall be translated as per the spot exchange rate on the balance sheet date; the owner's equity items, except for the item of "undistributed profit", shall be translated as per the spot exchange rate at the time of business occurrence; the income and expenditure items in the income statement shall be translated as per the spot exchange rate on the transaction date. The translation differences in the foreign currency financial statements arising from the above translations shall be presented in other comprehensive income. Foreign currency cash flow is translated as per the spot exchange rate on the date when the said cash flow occurs. The amount of influence of exchange rate change on cash shall be listed in the statement of cash flows separately.

11. Financial instruments

(1) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

A financial asset is derecognized, i.e. removed from the balance sheet, when the following conditions are met: 1) the rights to receive cash flows from the financial asset expire; 2) the right to receive cash flows from a financial asset or an obligation under a "pass-through agreement" to pay the full amount of cash flows received to a third party in a timely manner is substantially transferred; and all the risks and rewards of ownership of a financial asset are substantively transferred, or the control over a financial asset is given up without transferring or retaining substantially all the risks and rewards of ownership of the financial asset.

A financial liability is derecognized if the obligation under the financial liability is discharged, cancelled, or expires. If an existing financial liability is replaced by another from the same creditor on substantially different terms, or if the terms of an existing liability are substantially modified in its entirety, such an exchange or modification is treated as a derecognition of the existing liability and the recognition of a new liability, and the difference is recognized in profit or loss for the period.

Financial assets bought and sold in the regular way are recognized and derecognized on their transaction dates. Transaction date is the date that the Group committed to purchasing or selling the financial assets.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(2) Classification and measurement of financial assets

Upon initial recognition, the Group classifies financial assets based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets as financial assets measured at amortized cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss. All affected underlying financial assets are reclassified when, and only when, the Group changes its business model for managing financial assets.

In judging the business model, the Group shall consider the information, including how it evaluates and reports the performance of financial assets to its key management personnel, the risks affecting the performance of financial assets and the relevant management method, and how managers of the relevant business are compensated, etc. The Group, when assessing whether the objective is to collect the contractual cash flows, shall analyze the reasons for, the timing, frequency, and value of sales of financial assets before maturity.

To determine the contractual cash flow characteristics, the Group shall make judgments on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, including evaluating whether there is a significant difference in comparison with benchmarking cash flows when the revision of the time value of money is assessed, and evaluating whether the fair value of the prepayment feature is insignificant provided that the financial assets have the prepayment feature.

Financial assets are measured at fair value on initial recognition, but accounts receivable or notes receivable arising from the sale of goods or rendering of services that do not contain significant financing components or for which the Group does not consider the effect of a significant financing component due within one year, are initially measured at the transaction price.

For financial assets at fair value through profit or loss, the related transaction costs are recognized directly in the current profit or loss; for other categories of financial assets, the related transaction costs are recognized in their initial recognition amounts.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(2) Classification and measurement of financial assets (Continued)

The subsequent measurement of financial assets depends on their classification:

1) Financial assets measured at amortized cost

The Group classifies financial assets meeting both of the following conditions into financial assets at amortized cost: ① the financial asset is held within a business model with the objective to hold the financial assets in order to collect contractual cash flows; ② the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income on such financial assets is recognized using the effective interest method, and any gains or losses arising from derecognition, modification or impairment are included in profit or loss for the current period. The Group's financial assets in this category mainly consist of monetary capital, accounts receivable, notes receivable, and other receivables.

2) Investments in debt instruments at fair value through other comprehensive income

The Group classifies financial assets meeting both of the following conditions into financial assets at fair value through other comprehensive income: ① the financial asset is held by the Group within a business model with the objective of both holding to collect contractual cash flows and selling the financial assets; ② the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income for such financial assets is recognized based on the effective interest method. Changes in fair value are recognized in other comprehensive income, other than interest income, impairment losses, and exchange differences, which are recognized in the current profit or loss. When the financial assets are derecognized, the cumulative gains or losses previously recognized in other comprehensive income shall be transferred from other comprehensive income to the current profit or loss. The Group's financial assets in this category are mainly receivables financing.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(2) Classification and measurement of financial assets (Continued)

3) Investments in equity instruments at fair value through other comprehensive income

The Group irrevocably chooses to designate certain investments in equity instruments not held for trading as financial assets at fair value through other comprehensive income. The Group recognizes only the related dividend income (except for dividend income that is explicitly recognized as a partial recovery of investment costs) in the current profit or loss, and subsequent changes in fair value are recognized in other comprehensive income. No provision for impairment is accrued. When the financial assets are derecognized, the cumulative gains or losses previously recognized in other comprehensive income shall be transferred from other comprehensive income to retained earnings. The Group's financial assets in this category are investments in other equity instruments.

4) Financial assets at fair value through profit or loss

Other than the above financial assets classified as financial assets measured at amortized cost and financial assets classified or designated as at fair value through other comprehensive income, the Group classifies its financial assets as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value, and all changes in fair value are recognized in the current profit or loss, except when they relate to hedge accounting. The Group's financial assets in this category mainly include financial assets held for trading.

Financial assets arising from contingent consideration recognized by the Group during the business merger under different control, are classified as financial assets at fair value through profit or loss.

(3) Classification, recognition, and measurement of financial liabilities

The Group's financial liabilities are classified on initial recognition as follows: financial liabilities at fair value through profit or loss and financial liabilities measured at amortized cost, except for financial guarantee contracts issued, loan commitments at below-market interest rates, and financial liabilities arising from transfers of financial assets that do not qualify for derecognition or from the continuing involvement in the transferred financial assets. For financial liabilities at fair value through profit or loss, the related transaction costs are recognized directly in the current profit or loss, and for financial liabilities measured at amortized costs, the related transaction costs are recognized in their initial recognition amounts.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(3) Classification, recognition, and measurement of financial liabilities (Continued)

The subsequent measurement of financial liabilities depends on their classification:

1) *Financial liabilities measured at amortized cost*

Financial liabilities measured at amortized cost are subsequently measured at amortized cost using the effective interest method.

2) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss (including derivatives that are financial liabilities) comprise financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss at initial recognition. Financial liabilities held for trading (including derivatives that are financial liabilities) are subsequently measured at fair value, and all changes in fair value are recognized in the current profit or loss, except when they relate to hedge accounting. Financial liabilities designated as at fair value through profit or loss are subsequently measured at fair value, and changes in fair value are recognized in the current profit or loss, except for changes in fair value attributable to changes in the Group's own credit risks, which are recognized in other comprehensive income. If changes in fair value attributable to changes in the Group's own credit risks are recognized in other comprehensive income and it would create or enlarge accounting mismatches in profit or loss, the Group shall recognize all changes in fair value (including the amount of the effect of changes in the Group's own credit risks) in the current profit or loss.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(4) Impairment of financial instruments

The Group accounts for impairment on financial assets at amortized cost and contract assets based on expected credit losses and recognizes provision for impairment losses.

1) Measurement of expected credit loss

Expected credit loss is a weighted average of credit losses on financial instruments weighted at the risk of default. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Future 12-month expected credit losses are the expected credit losses that result from all possible default events on a financial instrument within the 12 months after the balance sheet date (or the expected life of the instrument, if it is less than 12 months), and are a portion of lifetime expected credit losses.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

2) Impairment testing method for accounts receivable

For accounts receivable, notes receivable, receivables financing, contract assets and other receivables that do not contain a significant financing component and are generated from ordinary operating activities, such as sales of goods and rendering of services, the Group applies a simplified measurement methodology to measure the provision for losses at an amount equal to the expected credit losses over the entire life of the asset.

For lease receivables, receivables, and contract assets with significant financing components, the Group applies a simplified measurement methodology to measure the provision for losses at an amount equal to the expected credit losses over the entire life of the asset.

The Group recognizes accounts receivable in the amount of more than RMB30 million, and is subject to litigation and other special risks as accounts receivable with significant individual amounts. The Group conducts separate impairment tests on accounts receivable with significant individual amounts.

For receivables, expected credit losses are generally calculated on the basis of a portfolio of common credit risk characteristics by taking into account the elements that should be reflected in the expected credit loss measurement methodology and by reference to historical credit loss experience and preparing a reconciliation of aging of accounts receivable to the default loss rate, except for amounts that are individually significant and for which credit impairment has occurred, in which case the credit losses shall be determined separately. If the credit risk characteristics of a customer are significantly different from those of other customers in the portfolio, or if there is a significant change in the credit risk characteristics of the customer, for example, if the customer is in severe financial difficulty and the expected credit loss rate on receivables from this customer has significantly exceeded the expected credit loss rate for the aging and overdue ranges in which the customer is located, etc., the Group makes a provision for losses on an individual basis on the receivables from this customer.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

2) Impairment testing method for accounts receivable (Continued)

① Portfolio category and determination basis of accounts receivable and contract assets

The Group classifies accounts receivable and contract assets by similarity and relevance of credit risk characteristics based on information such as aging, nature of payment, credit risk exposure, and historical payment collection. For accounts receivable and contract assets, the Group determines that aging is the main factor affecting credit risk. Therefore, the Group assesses its expected credit losses by reference to historical credit loss experience and preparing a reconciliation of aging of accounts receivable to the default loss rate. The basis for determining the portfolio is as follows:

Category of portfolio	Basis for determining the portfolio	Method for measuring expected credit loss
Portfolio of credit risk characteristics	Portfolio of aging	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, calculate expected credit loss by preparing a reconciliation table of the aging of accounts receivable/contract assets to the lifetime expected credit loss rate
	Portfolio of electricity and subsidies	Calculate expected credit loss by taking into account factors such as the time value of money in conjunction with the receivable collection cycle

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

2) Impairment testing method for accounts receivable (Continued)

① Portfolio category and determination basis of accounts receivable and contract assets (Continued)

Lifetime expected credit loss rate of the portfolio of electricity and subsidies in the credit risk characteristics portfolio:

Basis for determining the portfolio	Method for measuring expected credit loss
Portfolio of electricity and subsidies	Taking into account the aging, discount the book balance of the portfolio of electricity and subsidies by 10% below the five-year LPR for the Reporting Period, and calculate the expected credit loss based on the difference between the carrying amount and the discounted amount

② Portfolio category and determination basis of notes receivable

Notes receivable are divided into different portfolios, and the accounting estimation policies for the expected credit loss thereof are determined by the Group based on the shared characteristics of acceptors' credit risks:

Category of portfolio	Basis for determining the portfolio	Method for measuring expected credit loss
Bank acceptance notes	The acceptor is a bank with less credit risk	Based on historical credit loss experience, the current situation, and the forecast of future economic conditions, calculate expected credit loss through exposure at default and lifetime expected credit loss rate
Trade acceptance notes	The acceptor is an enterprise with a higher credit risk	

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

2) Impairment testing method for accounts receivable (Continued)

③ Portfolio category and determination basis of other receivables

The Group classifies other receivables into certain portfolios based on credit risk characteristics and calculates the expected credit loss on the basis of the portfolios, which are determined as follows:

Category of portfolio	Basis for determining the portfolio	Method for measuring expected credit loss
Portfolio of credit risk characteristics	Portfolio of aging	Based on historical credit loss experience, the current situation, and the forecast of future economic conditions, calculate expected credit loss by preparing a reconciliation table of other receivables for the next 12 months or the lifetime expected credit loss

3) Impairment testing methods for other current assets, debt investments, other debt investments, and other non-current assets

Except for the financial assets, such as other current assets, other debt investments, and other non-current assets, for which the simplified measurement method is adopted as mentioned above, the Group adopts the general method (three-stage method) for the provision of expected credit losses. The Group assesses whether the credit risk has increased significantly since initial recognition at each balance sheet date. If the credit risk has not increased significantly since initial recognition (stage 1), the loss allowance is measured at an amount equal to 12-month expected credit loss by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but are not credit-impaired (stage 2), the loss allowance is measured at an amount equal to lifetime expected credit loss by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if such financial assets are creditimpaired after initial recognition (stage 3), the loss allowance is measured at an amount equal to lifetime expected credit loss by the Group and the interest income is calculated according to the amortized cost and the effective interest rate. If the credit risk of financial instruments is low at the balance sheet date, the Group assumes that the credit risk has not increased significantly since initial recognition.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(4) Impairment of financial instruments (Continued)

3) Impairment testing methods for other current assets, debt investments, other debt investments, and other non-current assets (Continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Future 12-month expected credit losses are the expected credit losses that result from all possible default events on a financial instrument within the 12 months after the balance sheet date (or the expected life of the instrument, if it is less than 12 months), and are a portion of lifetime expected credit losses.

For disclosures of the Group's judgment criteria for a significant increase in credit risk and the definition of credit-impaired assets, please refer to the risks associated with financial instruments in Note X.

(5) Recognition and measurement of transfer of financial assets

For a transaction involving the transfer of a financial asset, if substantially all of the risks and rewards of ownership of the financial asset has been transferred, the Group derecognizes the financial asset; if it has retained substantially all of the risks and rewards of ownership of the financial asset, the financial asset will not be derecognized; if it has neither transferred nor retained substantially all of the risks and rewards of ownership of the financial asset, but control over the financial asset has been waived, the Group would derecognize the financial asset and recognize the resulting assets and liabilities; where control over the financial asset has not been waived, the Group would recognize the financial asset to the extent of its continuing involvement in the transferred financial asset and recognize the related liability accordingly.

If the transfer of an entire financial asset meets the conditions of derecognition, the difference between the carrying amount of the transferred financial assets and the sum of the consideration received from the transfer and the accumulative amount of the changes in the fair value originally included in other comprehensive income which shall be apportioned to the derecognized portion (when the transferred financial assets meet the following conditions: ① the financial asset is held within a business model with the objective to hold the financial assets in order to collect contractual cash flows and sell the financial assets; ② where the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of interest on the principal and the principal amount outstanding), are included in profit or loss for the current period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(5) Recognition and measurement of transfer of financial assets (Continued)

If the transfer of financial asset partially meets the conditions of derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognized and the portion which is not, apportioned according to their respective relative fair value, and the difference between the sum of the consideration received from the transfer and the accumulative amount of the changes of the fair value originally included in other comprehensive income which shall be apportioned to the derecognized portion (when the transferred financial assets meet the following conditions: ① the financial asset is held within a business model with the objective to hold the financial assets in order to collect contractual cash flows and sell the financial assets; ② where the contractual terms of the financial assets transferred give rise on specific dates to cash flows that are solely payments of interest on the principal and the principal amount outstanding), and the apportioned entire carrying amount of the said financial assets are included in profit or loss for the current period.

When a continuing involvement is recognized by means of a financial guarantee over the transferred financial assets, assets resulting from the continuing involvement are recognized at the lower of the carrying amount of the financial assets and the amount of the financial guarantee. The amount of the financial guarantee is the maximum amount of consideration received that will be required to be repaid.

(6) The distinction between financial liabilities and equity instruments and related treatment methods

The Group distinguishes financial liabilities and equity instruments according to the following principles: (1) if the Group cannot unconditionally avoid fulfilling a contractual obligation by paying cash or other financial assets, the contractual obligation is consistent with the definition of financial liability. Some financial instruments, although not explicitly containing the terms and conditions of settling cash or other financial assets obligations, may indirectly form contractual obligations through other terms and conditions. (2) If a financial instrument is required or can be settled by the Group's own equity instruments, it is necessary to consider the Group's own equity instruments used to settle the instrument, whether it is a substitute for cash or other financial assets, or for the holder of the instrument to enjoy the remaining interest in the assets of the issuer after deducting all liabilities. In the former case, the instrument is the issuer's financial liability; if it is the latter, the instrument is the issuer's equity instrument. In some cases, a financial instrument contract stipulates that the Group settles the financial instrument with its own equity instruments, where the amount of contractual rights or contractual obligations equals the number of equity instruments available or to be delivered multiplied by the fair value at settlement. Whether the amount of the contractual rights or obligations is fixed, or totally or partly based on changes in variables other than the market price of the Group's own equity instruments (interest rate, price of a commodity, or price of a financial instrument), the contract is classified as a financial liability.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(6) The distinction between financial liabilities and equity instruments and related treatment methods (Continued)

When the Group classifies financial instruments (or their components) in the consolidated statements, it considers all the terms and conditions between the group members and the holders of financial instruments. If the group as a whole assumes the obligation to settle cash, other financial assets, or other means of causing the instrument to become a financial liability due to the financial instruments, the instrument should be classified as a financial liability.

(7) Derivative financial instruments

The Group uses derivative financial instruments, for example, to hedge exchange rate risk, commodity price risk and interest rate risk through foreign exchange forward contracts, commodity forward contracts and interest rate swaps, which are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Changes in the fair value of these derivatives are recognized in profit or loss unless it is related to hedge accounting.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Financial instruments (Continued)

(8) Offsetting of financial assets and financial liabilities

The financial assets and financial liabilities of the Group shall be presented separately in the balance sheet and shall not be offset. However, when all of the following conditions are met, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet: (1) the Group has a legal right that is currently enforceable to set off the recognized amount; and (2) the Group intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

12. Inventories

The Group's inventories mainly include raw materials, packaging, and low-value consumables, goods in stock, work in progress, self-manufactured semi-finished goods, goods in transit, commissioned processing materials, wind power, and PV power stations etc.

Inventories are initially measured at actual cost. The cost of inventories comprises purchase costs, processing costs, and other costs. The perpetual inventory system is adopted by the Group. The weighted average method is used to determine the actual cost of the inventory used or issued. Low-value consumables and packaging are amortized based on the number of times they are used.

At each balance sheet date, inventories shall be measured at the lower of cost and net realizable value. If the cost is in excess of net realizable value, the provision for inventories is recognized in the statement of profit or loss. Net realizable value is the estimated selling price of the inventories in the ordinary course of business, deducting the estimated costs upon completion, the estimated selling expenses, and the related taxes.

For the estimated irrecoverable part of the cost due to inventory damage, obsolescence of all or partial inventories, or sale price lower than the cost, provisions for impairment of inventories are accrued by the Group. Provisions for the impairment of inventories for goods in stock and bulk raw materials are accrued based on the difference between the cost of a single inventory item and its net realizable value; for other numerous raw and auxiliary materials with low prices, inventory price falling provisions are accrued based on their categories.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

13. Contract assets and contract liabilities

(1) Contract assets

Contract assets refer to the rights to receive consideration for the transfer of goods by the Group to its customers, and that right depends on factors other than the passage of time. If the Group sells two commodities that can be clearly distinguished to its customers, under which condition the Group has the right to collect money because one of the commodities has been delivered, while the collection of money also depends on the delivery of the other commodity, the Group regards the right to collect money as the contract assets.

For the determination methods and the accounting methods for the expected credit loss of contract assets, please refer to the above Note III. 11(4) related to the impairment of financial assets.

(2) Contract liabilities

Contract liabilities reflect the Group's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

14. Assets related to contract costs

(1) Methods for the recognition of the amount of assets related to contract costs

The Group's assets related to contract costs comprise contract performance costs and contract acquisition costs. Depending on liquidity, contract performance costs are presented separately in inventories and other non-current assets, and contract acquisition costs are presented separately in other current assets and other non-current assets.

The cost incurred by the Group to perform a contract which does not fall under the scope of the relevant accounting standards for inventories, fixed assets or intangible assets and meets all of the following conditions, is recognized as an asset as contract performance cost: such cost directly relates to an existing or expected contract, including direct labour, direct materials, manufacturing cost (or similar cost) or other costs expressly to be borne by customers and incidental only to the contract; such cost increases the resources of the Group for future performance obligations; and such cost is expected to be recoverable.

The incremental cost to obtain a contract of the Group, which is expected to be recoverable, is recognized as an asset as contract acquisition cost. If the amortization period of the asset does not exceed one year, the Group chooses the simplified treatment of recognizing the asset in profit or loss when incurred. Incremental cost refers to the cost that will not be incurred by the Group had the contract not been acquired, such as sales commissions. Other expenses incurred by the Group to obtain a contract (such as travel expenses to be incurred regardless of obtaining a contract or not and excluding the incremental cost expected to be recoverable) are included in profit or loss for the period as incurred, save for those expressly to be borne by customers.

(2) Amortization of assets related to contract costs

The Group's assets related to contract costs are amortized on the same basis as those for the revenue from goods relating to such assets and included in profit or loss for the current period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

14. Assets related to contract costs (Continued)

(3) Impairment of assets related to contract costs

If the carrying amount of the Group's assets relating to contract costs is higher than the difference between the following two items, the Group makes a provision for impairment and recognizes the excess as an asset impairment loss: ① the remaining consideration expected to be received from transfer of the goods relating to the asset; and ② the cost expected to be incurred for transfer of the relevant goods. After the provision for impairment is made, if the factors of impairment in previous periods change so that the difference between the above two is higher than the carrying amount of the asset, the original provision for impairment of the asset is reversed and recognized in profit or loss for the period, provided that the carrying amount of the asset after the reversal does not exceed the carrying amount of the asset at the date of reversal assuming no provision for impairment was made.

15. Long-term equity investments

The long-term equity investments of the Group include the investment in subsidiaries, investment in associates, and equity investment in joint ventures.

(1) Judgment of significant influence and joint control

The Group's equity investments in investees in which it has significant influence are investments in associates. Significant influence means that the Group has the power to participate in the decision-making of the investee's financial and operating policies, but does not control, or jointly control with other parties, the formulation of those policies. The Company is usually deemed to have significant influence over the investee when it owns, directly or indirectly through its subsidiaries, more than 20% but less than 50% of the voting right of the investee, unless there is clear evidence that the Group is unable to participate in the decision-making of the investee's production and operation or to develop control over the investee. For voting rights of less than 20% in the investee, the Group is deemed to have significant influence over the investee if it assigns a representative to the Board or similar authorities of the investee, or participates in the formulation process of financial and operation policies of the investee, or has major transactions with the investee, or sends management personnel to the investee or provides key technical information to the investee.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

15. Long-term equity investments (Continued)

(1) Judgment of significant influence and joint control (Continued)

An equity investment in an investee in which the Group, together with other joint venturers, exercises joint control over the investee and has rights to the net assets of the investee is an investment in a joint venture. Joint control is the contractually agreed sharing of control of an arrangement whose relevant activities can only be decided after the unanimous consent of the parties sharing control. The Group bases its judgment of joint control on the fact that all participants or a combination of participants collectively control the arrangement and that the decisions of the activities related to the arrangement must be unanimously agreed upon by those participants who collectively control the arrangement.

(2) Accounting treatment

The Group initially measures long-term equity investments acquired at the initial investment cost.

For long-term equity investments acquired through business mergers under common control, the share of the carrying amount of net assets of the combined party in the consolidated statement of the ultimate controlling party on the merger date shall be accounted for as the initial investment cost. If the carrying amount of the net assets of the combined party on the merger date is negative, the initial investment cost is determined as nil;

For long-term equity investments obtained through business mergers under different control, the cost of merging shall be recognized as an initial investment cost;

Apart from the long-term equity investments formed through business merger, for long-term equity investments acquired by cash payment, the initial investment cost is the actual amount of cash paid for the acquisition, the expenses directly related to the acquisition of the long-term equity investment, taxes and other necessary expenditures; for long-term equity investments acquired by issuing equity securities, the cost of investment is the fair value of the equity securities issued;

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

15. Long-term equity investments (Continued)

(2) Accounting treatment (Continued)

The Company's investments in subsidiaries are accounted for in the individual financial statements using the cost method. When the cost method is used, long-term equity investments are valued at the initial investment cost. When additional investment is made, the carrying amount of the long-term equity investment cost will be added according to the fair value of the cost paid for the additional investment and the related transaction expenses incurred. For cash dividends or profit declared and paid by the investee, it shall be recognized as its investment income for the period at the amount to which it is entitled.

The Group's investments in joint ventures and associates are accounted for using the equity method. When using the equity method, if the initial investment cost of a long-term equity investment exceeds the share of the fair value of the investee's identifiable net assets at the time of investment, the carrying value of the long-term equity investment will not be adjusted; If the initial investment cost of a long-term equity investment is less than the share of the fair value of the investee's identifiable net assets, the difference will be adjusted to the carrying value of the long-term equity investment and included in the current profit or loss of the investment.

For long-term equity investment for which the subsequent measurement is accounted for using the equity method, during the period when the investment is held, the carrying amount of long-term equity investment shall be increased or decreased accordingly, according to the change in the owners' equity of the investee. When determining the amount of proportion of net profit or loss in the investee which it entitles, fair value of each identifiable assets of the investee at the time when the investment is obtained shall be used as basis, and according to the accounting policies and accounting period of the Group, and after offsetting unrealized profit or loss incurred in internal transactions between associates and joint ventures that do not constitute business and calculate the proportion which is attributable to the Group (if the internal transaction losses are asset impairment losses, the full amount is recognized) according to the shareholding, and recognized after adjustment is made to the net profit of the investee. The Group recognizes the net loss incurred by the investee until the carrying value of the long-term equity investment and other long-term interests that essentially constitute a net investment in the investee are reduced to zero, except where the Group is obliged to bear additional losses.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

15. Long-term equity investments (Continued)

(2) Accounting treatment (Continued)

When long-term equity investments are disposed of, the difference between the carrying amount and the proceeds actually received shall be included in investment income for the period.

For long-term equity investments accounted for under the equity method, the relevant other comprehensive income originally accounted for under the equity method shall be accounted for on the same basis as the investee's direct disposal of related assets or liabilities when the application of the equity method is terminated. The owner's equity recognized for other changes in owner's equity other than net profit or loss, other comprehensive income, and profit distribution shall be all transferred to the current investment gain when the application of the equity method is terminated.

If the remaining equity after the disposal of part of the equity is still accounted for using the equity method, the relevant other comprehensive income originally accounted for using the equity method will be treated on the same basis as the investee's direct disposal of relevant assets or liabilities and carried forward on a proportional basis. Owners' equity recognized due to other changes in owners' equity other than net profit or loss, other comprehensive income, and profit distribution will be carried forward to the investment income of the current period on a proportional basis.

Where the common control or significant influence over the investee is lost due to the partial disposal of equity investment, the residual equity after disposal is recognized as a financial asset, and the difference between the fair value and carrying amount of such residual equity on the date when the common control or significant influence is lost shall be included in profit or loss for the current period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

15. Long-term equity investments (Continued)

(2) Accounting treatment (Continued)

For the loss of the control over the invested entity due to disposal of partial long-term equity investments, the residual equity after disposal, if capable of realizing joint control or exerting significant influence over the invested entity, is changed to the equity method for calculation, the difference for disposal of carrying amount and consideration is included in the investment income, and the residual equity is adjusted as if it was calculated using the equity method since it was acquired; the residual equity after disposal, if unable to realize joint control or exert significant influence on the invested unit, is recognized as a financial asset, the difference for the carrying amount of the equity investment disposed of and the disposal consideration is included in the investment income, and the difference between the fair value and carrying amount of the residual equity on the control-lost date is included in profit or loss for the current period.

For each transaction where equity is disposed of by the Group in stages until loss of control and which does not belong to a package deal, the accounting for each transaction shall be conducted separately. For a package deal, the accounting treatment shall be conducted in a way that each transaction is part of the transaction that disposes of a subsidiary with loss of control. However, before loss of control, the difference between the disposal price for each transaction and the carrying amount of the corresponding long-term investments of the equity disposed of, shall be recognized as other comprehensive income, and, upon loss of control, shall be transferred to the current profit or loss when the control is lost.

16. Investment properties

Investment property of the Group is property held to earn rentals or for capital appreciation or for both purposes. It includes land use rights that are leased out, land use rights held for transfer upon capital appreciation, and buildings that are leased out.

Measurement of investment properties: the costs of purchased investment properties include purchase price, relevant taxes and other expenditures that can directly be attributed to the asset; the cost for self-constructing investment properties shall be comprised of necessary expenditures for making the asset reach its intended use; the cost of investment properties acquired by other means is determined in accordance with the relevant accounting standards.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

16. Investment properties (Continued)

The cost model is used for subsequent measurement of investment properties. The subsequent measurement of buildings measured using the cost method is consistent with the subsequent measurement of fixed assets; the subsequent measurement of land use rights measured using the cost method is consistent with the measurement of intangible assets.

When investment properties are converted for self-use, they are converted to other assets for accounting. When self-used buildings cease to be used for self-use and are leased out, other assets are converted to investment properties.

Methods of impairment test and provision for impairment of investment properties:

The Group determines whether there is any indication that an investment property is impaired on the basis of internal and external information at the balance sheet date and performs an impairment test to estimate the recoverable amount of investment properties for which there is an indication of impairment.

Where the estimated result of the recoverable amount indicates that the recoverable amount of an investment property is lower than its carrying amount, the carrying amount of the investment property is written down to its recoverable amount, and the write-down amount is recognized as an impairment loss on the asset, which is included in profit or loss for the current period, and a corresponding provision for impairment is made. Once an impairment loss on investment properties is recognized, it cannot be reversed in subsequent accounting periods.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

17. Fixed assets

Fixed assets of the Group are tangible assets held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and expected to be used for more than one year.

Fixed assets are recognized when it is probable that the related economic benefits will flow to the Group and the costs can be reliably measured. Fixed assets of the Group include buildings and structures, machinery equipment, transportation vehicles, electronic equipment, and others.

The Group shall make depreciation for all the fixed assets except the fixed assets that have been fully depreciated but are still in use and the land, which is separately priced and recorded. Depreciation is calculated using the straight-line method. The category, depreciation period, expected net residual rate, and depreciation rate of the fixed assets of the Group are as follows:

Category of fixed assets	Depreciation period (year)	Residual rate (%)	Annual depreciation rate (%)
Buildings and structures	20-40	5.00	2.38-4.75
Machinery equipment	5-25	5.00	3.80-19.00
Transportation vehicles	5-10	5.00	9.50-19.00
Electronic equipment	3-5	5.00	19.00-31.67
Others	5-20	5.00	4.75-19.00

At the end of each year, the Group shall review the expected useful life, expected net residual value, and depreciation method of the fixed assets. If there is any change, it will be treated as an accounting estimate change.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

18. Construction in progress

Construction in progress is recognized based on the actual construction expenditures incurred. It consists of all types of expenditures necessary to be incurred, capitalized borrowing costs before the asset is ready for its intended use, and other related expenditures during the period of construction.

Construction in progress shall be transferred into fixed assets at the estimated value as per the project budget, construction prices or actual construction costs from the date when they are ready for intended use, and be depreciated from the next month and be adjusted for difference from the original value of the fixed asset after the completion settlement procedures.

Construction in progress shall be transferred into fixed assets when they are ready for intended use, and the criteria are as follows:

Items	Criteria for transferring into fixed assets
Buildings and structures	Earlier of actual commencement of use/completion, and acceptance
Machinery equipment	Earlier of actual commencement of use/completion of installation, and acceptance

19. Borrowing costs

The Group capitalizes the borrowing costs directly attributable to the construction or production of assets that meet the capitalization conditions and includes them in the cost of the relevant assets. Other borrowing costs are included in the current profit or loss. The assets determined by the Group to qualify for capitalization include borrowing costs incurred from fixed assets, right-of-use assets, and inventories, which require construction or production activities for over 1 year to be ready for their intended use or reach the condition to be sold. Borrowing costs start capitalization when the assets' expenses and borrowing costs were incurred and the construction or production activities, in order to make assets to reach the expected usable or sale condition have started; When the assets under construction or production are qualified for capitalization and reached their expected usable or sale condition, the capitalization have to be terminated. Borrowing costs incurred afterward are included in the profit or loss for the current period. If the construction or production of assets that are qualified for capitalization are interrupted abnormally, and such interruption occurred for more than three consecutive months, the capitalization of borrowing costs has to be suspended until construction of assets or production activities is resumed.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

19. Borrowing costs (Continued)

In each accounting period within the capitalization period, the Group recognizes the capitalized amount of borrowing costs in accordance with the following method: The amount of interest, accrued from the funds borrowed under a specific-purpose, to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the unused borrowed funds on the asset or any investment income on the temporary investment of those funds. If the funds borrowed under general-purpose are used, the Group determines the amount of interest to be capitalized by multiplying the weighted average cost of assets from the cumulative cost of assets in excess of specific-purpose borrowings by the capitalization rate of the used borrowing under general-purpose. The capitalization rate shall be calculated and determined according to the weighted average interest rate of the borrowing for general-purpose.

20. Intangible assets

Intangible assets of the Group include land use rights, patent rights, non-patent technology, software, and trademark rights etc. Intangible assets are measured at the actual costs upon acquisition. The purchased intangible assets are stated at actual cost based on the actual price paid and related other expenses. For intangible assets invested by investors, the actual costs are determined according to the values specified in the investment contract or agreement. For the unfair values agreed in the contract or agreement, the actual costs are determined at the fair value. However, for intangible assets acquired by the acquiree in a merger not under the common control, but not recognized in its financial statements, the assets are initially recognized at fair value.

(1) Useful life and its basis for determination, estimation, amortization method, or review procedure

The cost of mining rights is amortized by the production method based on the acquired permit of volume to be mined; mine exploration rights are amortized by the production method from the time they are converted to mining rights and the mines are put into production; the land use rights shall be evenly amortized over its remaining term when it is obtained from the date of transfer. The proprietary technology and other intangible assets are amortized evenly by stages over the estimated useful life, the beneficial term stipulated by contract, and the legal effective term, whichever is the shortest. The amortization amount is included in the relevant cost of the asset and the current profit or loss according to its beneficiaries.

The Group reviews the estimated useful life and amortization method of intangible assets with finite useful life at the end of each year, and any changes will be treated as changes in accounting estimates. The Group reviews the estimated useful life of intangible assets with indefinite useful life at each accounting period. If there is evidence that the useful life of intangible assets is finite, the useful life should be estimated and amortized during that period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

20. Intangible assets (Continued)

(2) Scope of research and development expenses and related accounting treatment methods

The scope of the Group's research and development expenses includes labor costs of research and development personnel, direct investment expenses, depreciation and amortization expenses, new product design expenses, and other related expenses.

Depending on the nature of internal research and development project expenditures and whether there is greater uncertainty in the eventual formation of intangible assets from research and development activities, the Group divides them into expenses in the research stage and expenses in the development stage.

Expenditures in the research stage, such as planned investigation, evaluation, and selection for the process of the specific product, are included in profit or loss for the period as incurred. Expenditures in the development stage, such as designing and testing for the final application of the process of the specific product before the scale production, shall be capitalized only if all of the following conditions are satisfied:

(1) The R&D technology of the process of the specific product has been fully approved by the technical team; any proprietary technology formed by the capitalization of R&D expenditures shall obtain the certification issued by the relevant third party or industry authority.

(2) The R&D expenditure capitalization shall be approved in accordance with the relevant procedures of the Company's science and technology department, the project approval report shall be obtained, and the budget relating to the process of the specific product has been approved by the management.

(3) The research and analysis from the marketing investigation demonstrated that the product produced during the process of the specific product has marketing capability; and the proprietary technology must reach the international and domestic advanced level or fill the international, domestic and Company gaps, and can be put into production, with good earnings expectations;

(4) There are adequate technical and financial resources for the development of the process of the specific product and the subsequent scale production;

(5) The expenditure attributable to the process of the specific product can be measured reliably.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

20. Intangible assets (Continued)

(2) Scope of research and development expenses and related accounting treatment methods (Continued)

Expenditures in the development stage that do not meet the above conditions are recognized in profit or loss in the period in which they are incurred. Development costs previously recognized as expenses are not recognized as an asset in a subsequent period. Capitalized expenditure on the development stage is presented as development costs in the balance sheet and transferred to intangible assets at the date that the asset is ready for its intended use.

21. Impairment of long-term assets

Long-term equity investments, fixed assets, construction in progress, right-of-use assets, and intangible assets with finite useful lives are tested for impairment if there is any indication of impairment at the balance sheet date. For goodwill and intangible assets with indefinite useful life and development expenditures that have not yet reached their intended usable state, impairment tests shall be conducted at the end of each year, regardless of whether there is any indication of impairment.

(1) Impairment of non-current assets other than financial assets (except for goodwill)

When the Group conducts an impairment test, the recoverable amount is the higher of the fair value of the asset less costs of disposal and the present value of the estimated future cash flow expected to be derived from the asset. After impairment testing, if the asset's carrying amount exceeds its recoverable amount, the difference is recognized as an impairment loss.

The Group estimates the recoverable amount on the basis of individual assets. When it is difficult to estimate the recoverable amount individually, the recoverable value of the cash-generating units to which the asset belongs will be estimated. The recognition of a cash-generating unit shall be based on whether the main cash flow generated by the cash-generating unit is independent of those generated by other cash-generating units.

The net amount of fair value minus disposal costs is determined by reference to the price in the sales agreement or the observable market price of similar assets in the fair trade, after deducting the incremental costs directly attributable to the disposal of the asset. When estimating the present value of future cash flows, management must estimate the expected future cash flows of the asset or cash-generating unit and select the appropriate discount rate to determine the present value of future cash flows. For details, please refer to Note VI. 13. Fixed assets.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

21. Impairment of long-term assets (Continued)

(2) Goodwill impairment

The Group shall, as of the purchasing date, allocate on a reasonable basis the carrying value of the goodwill formed by the business merger to the relevant cash-generating units, or if there is a difficulty in allocation, allocate it to the relevant sets of cash-generating units. In testing a cash-generating unit or a set of cash-generating units to which goodwill has been allocated for impairment, if there is evidence of impairment in relation to goodwill, the Group shall first test the cash-generating units or the set of cash-generating units that do not include allocated goodwill for impairment. It shall determine and compare the recoverable amount with the related carrying amount, and recognize any impairment loss. After that, the Group shall test the cash-generating unit or set of cash-generating units, including the goodwill, for impairment. The carrying amount is compared to its recoverable amount. If the recoverable amount of the cash-generating unit or set of cash-generating units is lower than its carrying amount, an impairment loss on goodwill shall be recognized. Firstly, the impairment loss shall be allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit or set of cash-generating units. Then, the impairment loss shall be allocated to the other assets of the cash-generating unit or set of cash-generating units (excluding goodwill) on the basis of the proportion of the carrying amount of each asset in the cash-generating unit or set of cashgenerating units.

Once the impairment loss of the above assets is recognized, it will not be reversed in subsequent accounting periods.

22. Long-term deferred expenses

The long-term deferred expenses are expenses which have been paid but will be amortized within the current period and subsequent periods for more than one year. These expenses are amortized over the period of benefit if there is a definite benefit period; if there is no benefit period, they are amortized evenly over five years. If the long-term expenses to be amortized are no longer beneficial in subsequent accounting periods, the amortized value of the unamortized item is transferred in full to the current profit or loss.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

23. Staff remuneration

Staff remuneration of the Group includes short-term remuneration, post-employment benefits, termination benefits, and other long-term benefits.

Short-term remuneration mainly includes staff salaries, bonuses, allowances and subsidies, staff welfare payments, medical insurance premiums, work injury insurance premiums and maternity insurance premiums, housing provident fund, labor union expenses, and staff education expenses. During the accounting period in which the employees render services, the Group recognizes the short-term remuneration actually incurred as liabilities and included in profit or loss for the current period or costs of relevant assets according to the beneficiaries of the services.

Post-employment benefits mainly include pension insurance premiums, unemployment insurance, enterprise annuity, and expenses for internal retirement. According to the Company's risks and obligations, they are classified as defined contribution plans. As for the defined contribution plans, the contributions that are made for individuals in exchange for the staff's services rendered in the accounting period shall be recognized as liabilities on the balance sheet date and included in profit or loss in the current period or relevant cost of asset according to the beneficiaries.

Termination benefits are generated from the compensation that the enterprise undertakes to pay in the event of early termination of employment relationship with the employees, according to the agreement entered into between the enterprise and the employees or the employees' representative (such as the trade union) in accordance with the law, or based on business practices, before the expiration of the contract signed between the employees and the enterprise. The employee staff remuneration liabilities incurred by the termination benefits shall be recognized and included in profit or loss for the current period at the earlier of the followings: when the Group cannot withdraw unilaterally the termination benefits provided for the termination plan of labor relations or cutback suggestions; or when the Group recognizes the cost or expenses related to reorganization involving the payment of termination benefits.

Other long-term employee benefits refer to all staff remuneration other than short-term remuneration, post-employment benefits, and termination benefits.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

24. Accrued liabilities

Where the business related to contingencies including external guarantee, commercial acceptance discount, pending litigations or arbitrations, product quality assurance, expected refund of electricity subsidy etc. meets the following conditions, the Group will recognize it as liabilities: the obligation is a present obligation of the Group; it is probable that an outflow of economic benefits will be required to settle the obligation; and the amount of the obligation can be measured reliably.

Accrued liabilities are initially measured at the best estimate required to be paid when performing relevant current obligations, with comprehensive consideration of such factors as risks, uncertainties, and the time value of money related to contingencies. The Group reviews the current best estimates and makes adjustments to the carrying value of the accrued liabilities at the balance sheet date.

Accrued liabilities that are anticipated to be settled within one year from the balance sheet date are presented as current liabilities.

25. Share-based payments

The equity-settled share-based payment in return for employees' services shall be measured based on the fair value of equity instruments granted to the employees on the date of grant. Equity Instruments, which are exercisable immediately upon the grant, are included in relevant costs or expenses at the fair value of equity instruments on the date of grant, and capital reserves are increased accordingly. If exercising is conditional upon completion of services in the pending period or fulfillment of performance conditions, on each balance sheet date during the pending period, based on the best estimate of the number of exercisable equity instruments, the services received for the period are recognized as the costs or expenses and capital reserves at the fair value of the equity instruments on the date of grant. If the terms of an equity-settled share-based payment are modified, acquired services are recognized at least as if the terms had not been modified. In addition, modifications that increase the fair value of equity instruments granted, or changes that are beneficial to employees on the date of modification, are recognized as an increase in services acquired.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

25. Share-based payments (Continued)

If equity-settled share-based payments are cancelled, they shall be treated as accelerated exercise on the date of cancellation, and the unrecognized amount shall be recognized immediately. If employees or other parties can choose to satisfy the non-exercisable conditions but fail to do so within the pending period, it shall be treated as cancellation of the equity-settled share-based payment. However, if a new equity instrument is granted and it is determined on the date of grant that the new equity instrument is intended to replace the cancelled equity instrument, the substitute equity instrument granted shall be treated in the same manner as the modification to the terms and conditions of the original equity instrument.

Cash-settled share-based payments are measured at the fair value of the liabilities (share-based or other equity instrument-based) assumed by the Group. Equity instruments that are exercisable immediately upon the grant are included in relevant costs or expenses at the fair value of liabilities assumed by the Company on the date of grant, and liabilities are increased accordingly. If exercising is conditional upon completion of services in the pending period or fulfillment of performance conditions, on each balance sheet date during the pending period, based on the best estimate of the exercisable situation, the services received for the period are recognized as the costs or expenses at the fair value of the liabilities assumed by the Group, and adjusts the liabilities accordingly. At each balance sheet date and settlement date before the settlement of relevant liabilities, the fair value of liabilities is remeasured with respective changes included in profit or loss for the current period.

26. Special reserve

The production safety expenses accrued by the Group shall be included in the cost of related products or the current profit or loss, and shall be credited to the special reserve account in accordance with the relevant requirements of the Circular on Printing and Issuing the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilization (Cai Zi [2022] No.136) and the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilization, issued by the MOF and the Ministry of Emergency Management.

The safety expenditures of the Group are expenses in nature, which are directly debited to a special reserve. The safety expenditures of the Group that are formed into fixed assets through a collection of construction in progress are recognized as fixed assets when the safety projects are completed and reach the expected conditions for use. Meanwhile, special reserve is written down through the costs of forming fixed assets, and the same amount is recognized as accumulated depreciation. For these fixed assets, there will be no further depreciation in the subsequent periods.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

27. Recognition principles and measurement of revenue

(1) General principles

The Group recognizes revenue when a performance obligation in the contract is satisfied, i.e., when control of the goods or services underlying the particular performance obligation is transferred to the customers. Obtaining control over relevant goods or services means being able to direct the use of the goods or the provision of the services and obtain almost all economic benefits from them.

When the contract contains two or more performance obligations, on the inception of the contract, the transaction price is allocated to each separate performance obligation in proportion to the stand-alone price of the promised goods or services, and the revenue is recognized according to the transaction price allocated to each performance obligation.

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The transaction price confirmed by the Group does not exceed the amount that is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. An entity shall recognize a liability if the entity expects to refund some or all of the consideration to the customer and does not include it in the transaction price. Where there is a significant financing component in the contract, the Group shall determine the transaction price on the basis of the amount payable in cash when the customer assumes control of the goods or services. The difference between the transaction price and the contract consideration shall be amortized by the effective interest rate method during the contract period. The Group shall not take into account the existence of a significant financing component in the contract if the Group expects, at contract inception, that the period between when the customer acquires control of a promised good or service and when the customer pays for that good or service will be one year or less.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

27. Recognition principles and measurement of revenue (Continued)

(1) General principles (Continued)

The Group satisfies a performance obligation over time if one of the following criteria is met; otherwise, it satisfies a performance obligation at a point in time:

1) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

2) The customer can control the asset that is being created by the Group's performance;

3) The Group's performance does not create an asset with an alternative use, and the Group has an enforceable right to receive payment in respect of performance completed to date during the whole contract period.

For a performance obligation satisfied over time, the Group shall recognize revenue over time by measuring the process towards complete satisfaction of the performance obligation. If the Group is unable to reasonably measure the progress towards complete satisfaction of a performance obligation and the costs incurred by the Group can be expected to be compensated, the revenue shall be recognized according to the costs incurred until such time that it can reasonably measure the progress towards complete satisfaction of the performance obligation.

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

1) The Group has a present right to receive the payment in respect of the goods or services;

2) The Group has transferred the legal title of the goods to customer;

3) The Group has transferred physical possession of the goods to customers;

4) The Group has transferred the significant risks and rewards of the ownership of the goods to the customers;

5) Customers have accepted the goods or services.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

27. Recognition principles and measurement of revenue (Continued)

(1) General principles (Continued)

The Group's right to consideration in exchange for goods or services that it has transferred to a customer is stated as a contract asset. The Group recognizes allowances for impairment loss for expected credit loss on contract assets. Receivable is the Group's unconditional right to consideration to be received from a customer. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

(2) Specific methods

The Group's operating revenue mainly comprises: 1) commodity sales business: revenue from the sales of products such as polysilicon and related products, inverters, SVG, energy storage and FDC Converter Valves and other products; 2) construction contracting business: revenue from the development, construction and operation of wind power and PV power plants; 3) electricity sales business: revenue from the sale of electricity generated from the operation of wind power and PV power plants; and 4) revenue from other businesses. The specific policies and methods of revenue recognition are as follows:

1) Revenue from the sales of the Group's polysilicon-related products and electrical equipment, such as inverters and energy storage systems, is recognized when control is transferred to the purchaser. The specific revenue recognition criteria are as follows: the parties to the contract have approved the contract and are committed to performing their respective obligations, the contract specifies the rights and obligations of the parties to the contract in relation to the transferred goods, the contract has clear payment terms related to the transferred goods, the contract has commercial substance, and the consideration entitled to the transferred goods is likely to be recovered to recognize revenue.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

27. Recognition principles and measurement of revenue (Continued)

(2) Specific methods (Continued)

2) For the development and construction business of wind power and PV power plants, the Group assesses contracts at their effective dates and determines whether the relevant contract performance obligations meet the condition to "performance over time".

For contracts meeting the condition to "performance over time", the Group recognizes revenue based on the contract performance progress during such period. The Group adopts the input method to determine the appropriate progress of performance, which is determined by the total actual contract cost incurred in proportion to the total estimated contract cost. When the performance progress cannot be reasonably determined, the incurred cost expected to be compensated for is recognized as revenue until the performance progress can be reasonably determined. If the incurred cost is expected to be unrecoverable, it is recognized as an expense upon occurrence, without recognizing revenue.

When the total revenue from a contract can be estimated reliably, contract-related economic benefits could probably flow into the Group, the incurred contract cost can be clearly identified and reliably measured, and the percentage of completion and estimated future costs could be reliably measured, the outcome of a contract is deemed to be reasonably foreseeable and the performance progress can be reasonably determined.

If the condition to "performance over time" is not met, the Group recognizes revenue based on the transaction price specified in the contract or relevant documents when the related products are completed and delivered.

3) The Group's operation business of wind power and PV power plants is recognized on the basis of the power consumption confirmed by both purchasers and sellers, the power price approved by the relevant state authorities, and the competitive power price.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

28. Government grants

Government grants are recognized when the conditions attached to them can be met and they are receivable. Government grants that are monetary assets are measured based on the actual amounts received. For government grants with the subsidies paid according to fixed quota standards, or when concrete evidence shows that relevant conditions specified in fiscal support policies can be met and the fiscal support funds can be received based on estimates at the end of the period, the government grants shall be measured based on the receivable amounts. Government grants that are non-monetary assets are measured based on their fair value; if the fair value cannot be estimated reliably, it will be measured based on the nominal amount (RMB1).

The Group's government grants include asset-related and income-related government grants. In particular, asset-related government grants refer to those obtained by the Group and used for the acquisition or construction of long-term assets or the obtainment of such assets by other means. Income-related government grants refer to those other than asset-related government grants. If no assistance object is specified in the government documents, the Group will make a judgment based on the above principles. If it is difficult to distinguish, it is integrally classified as income-related government grants.

Asset-related government grants are deducted from the carrying amount of the relevant assets or recognized as deferred income. Asset-related government grants recognized as deferred income will be included in current profit or loss in a reasonable and systematic manner within the useful life of the relevant assets. For relevant assets that are sold, transferred, discarded, or damaged before the end of their useful lives, the relevant unallocated deferred income is transferred into the profit or loss of the current period when the assets are disposed of.

Income-related government grants used to compensate for related costs or losses in future periods are recognized as deferred income and will be included in current profit or loss or deducted from related costs over the periods in which they are recognized. Grants used to compensate for related costs or losses already incurred are recognized directly in current profit or loss or deducted from related costs. Government grants related to daily activities are included in other income or deducted from related costs according to the nature of the economic activities. Government grants unrelated to daily activities are included in non-operating revenue.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

29. Deferred income tax assets and deferred income tax liabilities

Deferred income tax assets and deferred income tax liabilities of the Group are recognized by calculating the difference between the tax base and the carrying amount thereof, as well as the difference between the tax bases of items that are not recognized as assets and liabilities but whose tax bases can be determined in accordance with tax laws and the carrying amount (temporary differences).

The Group recognizes deferred income tax liabilities for all taxable temporary differences except for the following situations: (1) the temporary difference arising from the initial recognition of goodwill, or the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss); (2) taxable temporary differences related to investments in subsidiaries, associates and joint ventures, where the Group is able to control the timing of reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group recognizes deferred income tax assets for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that future taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilized, except for the following circumstances: (1) the temporary difference arising from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss); (2) when it is probable that the deductible temporary differences arising from investments in subsidiaries, associates and joint ventures cannot meet the following conditions at the same time, temporary differences will be reversed in the foreseeable future and that the deductible taxable profit will be available in the future against which the temporary differences can be utilized.

Deferred income tax assets are recognized for all unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. Significant judgment is required to estimate the amount and timing of future taxable profit so as to determine, together with the tax planning strategies, the amount of deferred income tax assets to be recognized, as there is uncertainty.

Deferred income tax assets and liabilities are measured at the applicable tax rate during the anticipated period for withdrawing such assets or during the period for paying off such liabilities on the balance sheet date.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Lease

(1) Identification of lease

At the commencement date of the contract, the Group assesses whether the contract is a lease or contains a lease. If a party to the contract transfers the right-of-use of an identified asset or several identified assets for consideration within a certain period of time, such contract is regarded as leasing or includes a lease.

Where a contract concurrently contains multiple separate leases, the Group splits the contract and conducts accounting treatment respectively for all separate leases. Where a contract concurrently includes both leased and non-leased parts, the Group shall split the leased and non-leased parts and conduct accounting treatment. Each part of the lease is accounted for in accordance with the lease standards, and the non-lease part is accounted for in accordance with other applicable accounting standards for business enterprises.

(2) The Group as lessee

1) Lease recognition

Except for short-term leases and leases of low-value assets, on the beginning date of the lease term, the Group recognizes the right-of-use asset and the lease liability of the lease.

The right-of-use asset refers to the Group's right as a lessee to use the leased assets during the lease term, and is initially measured at cost. The cost comprises: ① the initial measurement of the lease liability; ② the lease payments made on or before the commencement date of the lease, less the amount of lease incentives received; ③ any initial direct costs incurred, and ④ an estimate of costs to dismantle and remove the leased asset or to restore the site where the leased asset is located or restore the leased asset to its agreed condition under the terms of the leases (except those incurred for the production of inventory). If the Group remeasures lease liabilities in accordance with the relevant provisions of the lease standards, the carrying amount of the right-of-use assets will be adjusted accordingly.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Lease (Continued)

(2) The Group as lessee (Continued)

1) Lease recognition (Continued)

The Group depreciates right-of-use assets on a straight-line basis based on the expected consumption pattern of the economic benefits related to the right-of-use assets. If it can reasonably be determined that the ownership of the leased asset can be acquired at the expiration of the lease term, the leased asset shall be depreciated within its remaining useful life. If the lessee cannot reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, the leased asset shall be depreciated within the lease term or its remaining useful life (whichever is shorter). The depreciation amount accrued shall be included in the cost of the relevant assets or the current profit or loss, according to the purpose of the right-of-use assets.

The Group initially measures lease liabilities based on the present value of the unpaid lease payments at the commencement date of the lease term. Lease payments include: ① Fixed payments and substantive fixed payments, net of lease incentive-related amounts; ② Variable lease payments that depend on an index or ratio; ③ The exercise price of the purchase option when the Group reasonably determines that it will exercise the purchase option; ④ The lease term reflects the amount required to be paid when the Group exercises the option to terminate the lease; ⑤ The amount expected to be paid based on the residual value of the guarantee provided by the Group.

When calculating the present value of lease payments, the Group uses the incremental borrowing rate as the discount rate. The Group calculates the interest expense of the lease liability for each period of the lease term according to a fixed periodic interest rate, and it is included in the current profit or loss, except for those that should be capitalized.

After the commencement of the lease term, when the Group recognizes the interest on the lease liability, it increases the carrying amount of the lease liability; when it pays the lease payment, it reduces the carrying amount of the lease liability. When the actual fixed payment amount changes, the estimated amount payable of the guaranteed residual value changes, the index or ratio used to determine the lease payment changes, the evaluation results or actual exercise of the purchase option, lease renewal option or termination option changes, the Group remeasures the lease liability based on the present value of the changed lease payments.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Lease (Continued)

(2) The Group as lessee (Continued)

2) Changes in leases

Changes in leases refer to the changes in the lease scope, lease consideration, and lease term. terms other than the original contract terms, including the addition or termination of the right-of-use of one or more leased assets, and the extension or shortening of the lease Period stipulated in the contract. The effective date of the lease change refers to the date both parties agreed on a lease change.

If a lease change happens and meets the following conditions, the Group will conduct accounting treatment for the lease change as a separate lease: ① the lease change expands the scope of lease by increasing the right-of-use of one or more leased assets; ② the increased consideration and the individual price of the expanded part of lease are equivalent after adjustment is made in accordance with situation of the contract.

If accounting treatment for the lease change as a separate lease is not conducted, on the effective date, the Group shall apportion the consideration of the changed contract in accordance with the relevant provisions of the lease standards, and re-determine the lease period after the change; and discount the modified lease payments using the revised discount rate, in order to remeasure the lease liabilities. When calculating the present value of the lease payments after modification, the Group adopts the interest rate implicit in the lease for the remaining lease periods as the discount rate; if the lease interest rate implicit in the lease for the remaining lease period cannot be readily determined, the lessee's incremental borrowing rate shall then be used by the Group as the discount rate on the effective date of modification of the lease. In view of the consequences of the above adjustment of the lease liabilities, the Group conducts accounting treatment in each of the following cases accordingly: ① If the lease change results in a narrower scope of lease or a shorter lease term, the lessee shall reduce the carrying amount of the right-of-use assets, and recognize the gain or loss relevant to the partial or complete termination of the lease in profit or loss for the current period. ② For other modification of lease that may lead to remeasurement of lease liabilities, the lessee adjusts the carrying amount of the right-of-use assets accordingly.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Lease (Continued)

(2) The Group as lessee (Continued)

3) Short-term leases and low-value asset leases

For short-term leases with a lease period of not more than 12 months and leases of low-value assets that have a lower value when the individual leased asset is a brand-new asset, the Group chooses not to recognize the right-of-use assets and lease liabilities. During different periods in the lease term, lease payments on short-term leases and leases of low-value assets are recognized as relevant cost of asset or current profit or loss on a straight-line basis or other systematic and reasonable methods over the lease term.

(3) The Group as a lessor

A lease classified as a finance lease by the Group as a lessor if it transfers substantially all the risks and rewards associated with the ownership of a leased asset. Other leases other than finance leases shall be classified as operating leases.

1) Finance leases

At the beginning of the lease term, the Group recognizes the finance leases receivable on the finance leases and terminates the recognition of the finance leases assets. When the initial measurement of the finance leases receivable is made by the Group, the Group uses the net lease investment as the entry value of the finance lease receivables.

The net lease investment is the sum of the unguaranteed residual value and the present value of rental receipts that has not been received on the start date of the lease term, which is discounted according to the interest rate implicit in lease. The Group calculates and recognizes interest income for each period of the lease term based on a fixed periodic interest rate. Variable lease payments acquired by the Group that are not included in the net measurement of lease investments are included in profit or loss for the period in which they are actually incurred.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Lease (Continued)

(3) The Group as a lessor (Continued)

2) Operating leases

Rental receipts under operating leases are recognized as rental income on a straight-line basis over the period of the lease.

The initial direct costs incurred by the Group in relation to the operating leases are capitalized as the costs of the subject leased asset and apportioned on the same basis as the rental income recognition during the lease term, and included in profit or loss for the current period. The variable lease payments received by the Group that are not included in the lease receivables related to the operating leases are recognized in profit or loss in the period in which they are actually incurred.

The Group accounts for a modification to operating leases as a new lease from the effective date of the modification, and any rental receipts received in advance or receivable relating to the original lease are considered as part of the lease receipts for the new lease.

31. Held-for-sale

The Group classified a non-current asset or disposal group as held for sale when the carrying amount of a non-current asset or disposal group will be recovered through a sale transaction (including substantially commercial non-monetary assets exchange, similarly hereinafter) rather than through continuing use.

The Group classifies non-current assets or disposal groups that meet the following criteria as held-for-sale: ① they are ready for immediate sale under current conditions based on the practice of selling such assets or disposal groups in similar transactions; ② it is highly probable that the sale will occur; that is, a decision has been made on a plan to sell and an undertaking to purchase has been obtained, and the sale is expected to be completed within a year. Relevant approval is required for sales requiring approval of relevant authorities or regulators as stipulated by relevant regulations. For non-current assets and disposal groups (other than financial assets, deferred income tax assets, investment properties measured at fair valued and the assets arising from staff remuneration) held by the Group, where its carrying amount is higher than the net value of its fair value less disposal expenses, its carrying amount is written down to its fair value less disposal expenses, and the amount of the write-down is recognized as an impairment loss on the asset and charged to current profit or loss, and at the same time, provision is made for impairment of assets held for sale.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

31. Held-for-sale (Continued)

Where the Group has lost control of a subsidiary due to reasons such as disposal of investment in a subsidiary, regardless of the Group retaining part equity investment after the disposal, upon the investment in a subsidiary intended to be disposed of satisfying the conditions for classification as held-for-sale, the investment in a subsidiary as a whole will be classified as held-for-sale in the parent's individual financial statements, and all assets and liabilities of the subsidiary are classified as held-for-sale in the consolidated financial statements.

No provision for depreciation or amortization of non-current assets is made in held-for-sale non-current assets or disposal groups, and interest on liabilities and other expenses of disposal groups held as available for sale continues to be recognized.

Upon derecognition of non-current assets or disposal groups held for sale, unrecognized gain or loss is recognized in profit or loss in the current period.

32. Discontinued operations

Discontinued operation refers to a component of the Group which meets one of the following requirements and can be distinguished separately and has been already disposed of or classified as held-for-sale: (1) the component represents an independent major line of business or a major independent geographical area of operations; (2) the component is part of a plan for the contemplated disposal of an independent major line of business or a major independent geographical area of operations; (3) the component is a subsidiary acquired exclusively for the purpose of resale.

33. Measurement of fair value

The Group measures investment properties, derivative financial instruments, and investment in equity instruments at fair value on each balance sheet date. 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.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

33. Measurement of fair value (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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: the Level 1input is the unadjusted quotation of the same assets or liabilities that can be obtained on the measurement date in the active market; The Level 2 input is the direct or indirect observable input value of related assets or liabilities other than the Level 1 input; the Level 3 input is the unobservable input of related assets or liabilities.

For assets and liabilities measured at fair value that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels of measurement at fair value by reassessing categorization as at the balance sheet date.

34. Hedge accounting

The Group formally designates the hedging instrument and the hedged item at the beginning of the hedge, and prepares written documents on the hedging relations and the Group's risk management strategies and risk management objectives for engaging in the hedge. The written documents shall at least include the hedging instrument, the hedged item, the nature of the hedged risk, and the method of assessing hedge effectiveness, etc. In addition, the Group continuously evaluates the hedge effectiveness at the beginning of the hedge and in subsequent periods.

The Group applies cash flow hedge accounting to hedges of expected transactions that satisfy the prescribed conditions and accounts for them as follows:

If a hedging instrument is designated as a cash flow hedge and satisfies relevant conditions, the portion of the gain or loss arising from the hedge that is effective is recorded as a cash flow hedge reserve in other comprehensive income, and the portion of the hedge that is ineffective is included in profit or loss for the current period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

34. Hedge accounting (Continued)

When an expected transaction results in the Group subsequently recognizing a non-financial asset or non-financial liability, or when an expected transaction of a non-financial asset or non-financial liability creates a determined commitment that is applicable to fair value hedge accounting, the Group transfers out the amount of the cash flow hedge reserve originally recognized in other comprehensive income to the amount initially recognized for that asset or liability. For cash flow hedges other than these, the Group transfers out the amount of the cash flow hedge reserve originally recognized in other comprehensive income to profit or loss for the current period in which the expected cash flows being hedged affect profit or loss.

If all or part of the net loss originally included in other comprehensive income is not expected to be recovered in future accounting periods, the portion that is not recovered is transferred out to profit or loss for the current period.

When the Group ceases to apply a hedge accounting to a cash flow hedge, the cumulative cash flow hedge reserve, which is included in other comprehensive income, is retained for as long as future cash flows are expected to continue to occur and is transferred out of other comprehensive income to profit or loss for the current period when future cash flows are no longer expected to occur.

35. Significant accounting estimates and judgements

The application of the Group's accounting policies (Note III) requires the Group to make judgments, estimations, and assumptions about the carrying value of statement items that cannot be measured accurately. These judgments, estimations, and assumptions are based on the Group's management's historical experience and consideration of other relevant factors, and actual results may differ from the Group's estimates.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

35. Significant accounting estimates and judgements (Continued)

1. The following are the critical accounting judgements made in the implementation of the Group's accounting policies:

(1) Judgement on the recognition of electricity price subsidies revenue in respect of the operation business of wind power and PV power plants

Electricity price subsidies revenue represents the renewable energy subsidies corresponding to the Group's wind power and PV power operation business. If the Group meets all the conditions for renewable energy subsidies and it is reasonably certain that the subsidized electricity tariffs will be received, the electricity price subsidies revenue will be recognized at its fair value.

Pursuant to the Administrative Measures on Additional Funds for Renewable Energy Tariffs (《可再生能源電價附加資金管理辦法》) jointly issued by the MOF, the NDRC and the National Energy Administration (the "NEA") on 20 January 2020 (the "**2020 Administrative Measures**"), the power grid companies will regularly publish a list of power station projects entitled to receive electricity price subsidies. For grid-connected power station projects that have not yet been included in the list, they must meet the electricity price subsidy-related requirements and conditions stipulated in the 2020 Administrative Measures and complete the submission and approval on the platform. Power grid companies will follow the principles set out in the 2020 Administrative Measures in determining the eligibility and regularly announce the grid-connected power station projects included in the list.

2. The main estimation uncertainties in the Group's accounting estimates that may result in the risk of material adjustments to the carrying amounts of assets and liabilities are set out below:

(1) Impairment and useful lives of property, plant, polysilicon production lines, and wind power and PV power plant assets

At the end of the Reporting Period, property, plant, polysilicon production lines, and wind power and PV power plant assets are stated at cost less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group makes judgements and accounting estimates, particularly in assessing: 1) whether an event has occurred or any indication that may affect the asset value; 2) whether the recoverable amount of the asset is greater than its carrying amount, and the recoverable amount is generally based on the present value of estimated future cash flows from the continued use of the asset; and 3) the appropriate key assumptions that will be applied to the estimation of the recoverable amount (including cash flow forecasts and appropriate discount rates). Due to factors such as turbulence in the financial markets and the new energy industry, the growth rate and discount rate in the cash flow forecasts for the current year are subject to uncertainty.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

35. Significant accounting estimates and judgements (Continued)

2. The main estimation uncertainties in the Group's accounting estimates that may result in the risk of material adjustments to the carrying amounts of assets and liabilities are set out below: (Continued)

(1) Impairment and useful lives of property, plant, polysilicon production lines, and wind power and PV power plant assets (Continued)

The Group has made significant investments in property, plant, and polysilicon production lines and wind power and PV power plant assets. In the future, if there is any change in the above assumptions and accounting estimates (including the discount rate or revenue growth rate in cash flow forecasts), it may have a significant impact on the recoverable amount. The carrying value of some assets may be higher than their recoverable amounts, resulting in a material impairment loss of assets.

In addition, when the Group determines the estimated useful lives and related depreciation expenses of its property, plant, polysilicon production lines and wind power and PV power plant assets, the relevant accounting estimates are based on the historical experience of the actual useful lives of property, plant, polysilicon production lines and wind power and PV power plant assets of similar nature and function. Management will reduce or increase the depreciation expense if the expected useful lives are longer or shorter than previously estimated. Actual useful lives may differ from estimated useful lives, resulting in changes in depreciation expense in future periods.

(2) Provision for expected credit loss on accounts receivable

Based on the actual credit losses in previous years, and considering the prospective information in the current year, the accounting estimation policies to measure the expected credit loss are as follows: the Group determines the expected credit loss rate in a single item for accounts receivable with significantly different credit risks; in addition to determining the expected credit loss rate for accounts receivable in a single item, the Group adopts the expected credit loss model based on the characteristics of aging, calculates the expected credit loss of accounts receivable through default risk exposure of accounts receivable and expected credit loss rate, and determines the expected credit loss rate based on the default probability and loss given default.

The Group adjusts the historical loss given default rate if it is forecasted that economic conditions (such as gross domestic product) will deteriorate in the coming year, which in turn may lead to an increase in the number of defaults by customers in the industry. The Group updates the historical loss given default rate at each reporting date and analyses changes in estimates of prospective information, which, if changed, would have an impact on the amount of provision for impairment of the Group's accounts receivable.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

35. Significant accounting estimates and judgements (Continued)

2. The main estimation uncertainties in the Group's accounting estimates that may result in the risk of material adjustments to the carrying amounts of assets and liabilities are set out below: (Continued)

(3) Measurement of right-of-use assets and lease liabilities

The Group estimates right-of-use assets and lease liabilities based on the terms of the lease agreements and the Group's incremental borrowing rates. The Group is required to make estimates at each reporting date in determining the Group's incremental borrowing rates.

(4) Income tax

The Group's principal businesses include the R&D, production and sales of polysilicon; the development, construction and operation of wind power and PV power plants; and the R&D, manufacturing and sales of electrical equipment such as inverters, SVG and FDC Converter Valves, and it is subject to corporate income tax in numerous jurisdictions. In the normal business activities and the preferential tax policies enjoyed by the Company, there are uncertainties in the final income tax treatment related to some transactions. In calculating income tax expense, the Group is required to make significant accounting estimates. If the final amount recognised for these tax matters differs from the amount initially recorded, it could result in a material adjustment to the carrying value of current income tax expense and deferred income tax expense.

(5) Fair value measurement

For the purpose of the Group's financial reporting, certain assets and liabilities are measured at fair value. The Group's chief accountant determines the appropriate valuation techniques and inputs for fair value measurements.

When estimating the fair value of assets or liabilities, the Group uses market observable data whenever possible. If Level 1 inputs are not available, the Group engages a third-party qualified valuer to perform the valuation. The chief accountant works closely with a qualified external valuer to establish appropriate valuation techniques and inputs for the valuation models. As judgements and estimates are required in establishing the relevant valuation techniques and their associated inputs, changes in assumptions about these factors may affect the fair value of such assets or liabilities.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

36. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

Nil.

(2) Changes in significant accounting estimates

Nil.

IV. TAXATION

1. Main types and rates of taxes

Type of taxes	Tax basis	Tax rate
Value-added tax	Value added amount from sales of goods and provision of taxable services	13%, 9%, 6%, 3%
City maintenance and construction tax	Actual amount of turnover tax paid	7%, 5%, 1%
Education surcharge	Actual amount of turnover tax paid	3%
Local educational surcharge	Actual amount of turnover tax paid	2%
Enterprise income tax	Taxable income	25%, 20%, 15%

Ⅳ. TAXATION (Continued)

2. Tax preference

(1) Value-added tax

According to the Notice of the MOF and the State Administration of Taxation on the Issuance of the Catalogue on Products and Labour Services relating to Comprehensive Utilisation of Resources Eligible for Concessions of Value-added Tax (Cai Shui [2015] No. 78), the policy of 70% instant refund of value-added tax shall be implemented for the sales of self-produced products by taxpayers included in the Catalogue attached to the Notice. The production and sale of autoclaved aerated concrete blocks by Xinjiang Xinte Energy Construction Material Co., Ltd., a subsidiary of the Company, meets the condition that more than 70% of the raw materials of bricks, tiles, blocks and other products in the catalogue come from industrial waste, and enjoys the policy of 70% instant refund of value-added tax.

Pursuant to the requirements of the Announcement of the MOF and the State Taxation Administration on the Policies for Supertax and Deduction of Value-Added Tax for Advanced Manufacturing Enterprises (Announcement [2023] No. 43 of the MOF and the State Taxation Administration)《(財政部稅務總局關於先進製造業企業增值稅加計抵減政策的公告》), advanced manufacturing enterprises are allowed to deduct the VAT payable by 5% of the current deductible input tax amount from 1 January 2023 to 31 December 2027. The Company's subsidiaries, Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司), Inner Mongolia Xinte Silicon Materials Co., Ltd. (內蒙古新特硅材料有限公司), TBEA Xi'an Electrical Technology Co., Ltd. (特變電工西安電氣科技有限公司) and TBEA Xi'an Flexible Power Transmission & Distribution Co., Ltd. (特變電工西安柔性輸配電有限公司) complied with the above tax preferential policies and enjoyed the above preferential tax in 2025. The Company's subsidiary, Xinjiang Jingshuo New Materials Co., Ltd. (新疆晶碩新材料有限公司), was entitled to the above preferential tax incentives in January 2025.

According to the Notice of the MOF and the State Administration of Taxation on Value-added Tax Policies for Software Products (Cai Shui [2011] No. 100), there are embedded software products in the goods sold by TBEA Xi'an Electrical Technology Co., Ltd., a subsidiary of the Company. On 17 July 2019, TBEA Xi'an Electrical Technology Co., Ltd. obtained the Tax Eligibility Form for the instant refund of value-added tax on software products from the Tax Bureau of Xi'an High-tech Development Zone of the State Administration of Taxation, and enjoys the preferential policy of instant refund of embedded software value-added tax for the part of the actual tax burden exceeding 3% since July 2019.

Ⅳ. TAXATION (Continued)

2. Tax preference (Continued)

(1) Value-added tax (Continued)

According to the Circular of the MOF and the State Administration of Taxation on Value-Added Tax Policy for Wind Power Generation (Cai Shui [2015] No. 74), since 1 July 2015, the policy of 50% instant refund of value-added tax is implemented for the sale of electricity products generated by wind power produced by taxpayers. The Company's subsidiary, Guyang County Wind Power Generation Co., Ltd. (固陽縣風源發電有限責任公司), was entitled to the preferential policy of a 50% instant VAT refund from January to October 2025.

(2) Enterprise income tax

1) Preferential tax treatment for hi-tech enterprises

According to the Notice of the Ministry of Science and Technology, the MOF and the State Administration of Taxation on the Revision and Issuance of the Administrative Measures for Determination of High-Tech Enterprises (Guo Ke Fa Huo [2016] No. 32), Xinte Energy Co., Ltd. was jointly recognized as a national high-tech enterprise by the Department of Science and Technology, Department of Finance and Taxation Bureau of Xinjiang Uyghur Autonomous Region, with the certificate number of GR202365000137, issued on 16 October 2023, valid for three years, and the enterprise income tax rate of 15% for 2025.

Xinjiang Xinte Xinneng Materials Co., Ltd., a subsidiary of the Company, was jointly recognized as a national high-tech enterprise by the Department of Science and Technology, Department of Finance and Taxation Bureau of Xinjiang Uyghur Autonomous Region, with the certificate number of GR202365000102, issued on 16 October 2023, valid for three years, and the enterprise income tax rate of 15% for 2025.

TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司), a subsidiary of the Company, was jointly recognized as a national high-tech enterprise by the Department of Science and Technology, Department of Finance and Taxation Bureau of Xinjiang Uyghur Autonomous Region, with the certificate number of GR202465000229, issued on 28 October 2024, valid for three years, and the enterprise income tax rate of 15% for 2025.

Ⅳ. TAXATION (Continued)

2. Tax preference (Continued)

(2) Enterprise income tax (Continued)

2) Preferential tax treatment for exploration and development of the western region

According to Announcement of the State Administration of Taxation on Issues Relating to Enterprise Income Tax Pertaining to Implementation of the Catalogue of Encouraged Industries in Western Region and Cai Shui [2011] No. 58, the enterprises, whose principal business is the new encouraged industry included in the Catalogue of Encouraged Industries in Western China and revenue from main operations for the year accounts for over 70% of total revenue, are entitled to a preferential enterprise income tax rate of 15% since 1 October 2014. According to the Notice of the Continuation of the Enterprise Income Tax for Implementation of Exploration and Development of Western Region (MOF Notice [2020] No. 23) by the MOF, the State Administration of Taxation and the NDRC, enterprise income tax will be levied at a reduced rate of 15% on enterprises located in the western region in the encouraged industries from 1 January 2021 to 31 December 2030. The enterprises in encouraged industries stated in this provision refer to those whose main business belongs to the industries and projects as set out in the Catalogue of Encouraged Industries in Western Region and whose main business income accounts for more than 60% of the total income of the enterprise. In addition, according to the National Development and Reform Commission Order No. 28 of 2024 issued on 27 November 2024, the Catalogue of Encouraged Industries in Western Region (2025 Edition) took effect from January 1, 2025, while the Catalogue of Encouraged Industries in Western Region (2020 Edition) was simultaneously repealed. The subsidiaries entitled to the above preferential documents include Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司), Xinte Silicon New Materials Co., Ltd. (新特硅基新材料有限公司), Urumqi Junsheng Wind Power Generation Co., Ltd. (烏魯木齊縣君盛風力發電有限公司), Changji Prefecture Shengding New Energy Power Generation Co., Ltd. (昌吉州盛鼎新能源發電有限公司), Mulei County Jiayu Fengsheng Power Generation Co., Ltd. (木壘縣嘉裕風晟發電有限公司), Mulei County Xinte Huineng Power Generation Co., Ltd. (木壘縣新特匯能發電有限責任公司), Burqin County Jingneng Wind Power Co., Ltd. (布爾津縣晶能風力發電有限責任公司), Wuwei Wusheng New Energy Technology Co., Ltd. (武威武晟新能源科技有限公司), Shache County Xinshang Energy Power Generation Co., Ltd. (莎車縣新尚能源發電有限責任公司), Ruoqiang Zhuo Shang New Energy Co., Ltd. (若羌縣卓尚新能源有限公司), Zhongmin (Mulei) Wind Power Co., Ltd.(中閩(木壘)風電有限公司), Xi'an Guangcheng Electricity Sales Co., Ltd. (西安光成售電有限公司), Zhidan County Xinsheng PV Technology Co., Ltd. (志丹縣新晟光伏科技有限公司), Hami Fengshang Power Generation Co., Ltd. (哈密風尚發電有限責任公司), TBEA Xi'an Flexible Power Transmission & Distribution Co., Ltd. (特變電工西安柔性輸配電有限公司), TBEA Xi'an Electrical Technology Co., Ltd. (特變電工西安電氣科技有限公司), Xi'an TBEA Electric Power Design Co., Ltd. (西安特變電工電力設計有限責任公司), Shaanxi TBEA New Energy Co., Ltd. (陝西特變電工新能源有限公司), Habahe County Xinte Wind Power Co., Ltd. (哈巴河縣新特風電有限公司), Hami Huafeng New Energy Power Generation Co., Ltd. (哈密華風新能源發電有限公司), Heqing Huineng Power Generation Co., Ltd. (鶴慶匯能發電有限責任公司), Dunhuang Teneng New Energy Co.,Ltd. (敦煌市特能新能源有限公司), Hami Shisanjianfang Xinte Wind Energy Co., Ltd. (哈密十三間房新特風能有限責任公司) and Kalpin County Kete New Energy Co., Ltd. (柯坪縣柯特新能源有限責任公司).

Ⅳ. TAXATION (Continued)

2. Tax preference (Continued)

(2) Enterprise income tax (Continued)

3) Preferential enterprise tax treatment for public infrastructure projects

According to the Regulation on the Implementation of the Enterprise Income Tax Law of the People's Republic of China, Cai Shui [2008] No. 46, Cai Shui [2008] No. 116, Guo Shui Fa [2009] No. 80 and other documents, incomes from investments in and operation of public infrastructure projects that satisfy the scope, conditions and standards specified in the Catalogue of Public Infrastructure Projects Enjoying Preferential Enterprise Income Tax (Caishui [2008] No. 46) shall, commencing from the taxable year in which such project receives its first business income, be exempted from enterprise income tax from the first year to the third year, and be entitled to a 50% reduction in enterprise income tax from the fourth year to the sixth year. The companies that are entitled to the above preferential enterprise income tax treatment are shown in the following table:

Name of company	Exemption period of income tax	50% reduction period of income tax
Zhidan County Xinsheng PV Technology Co., Ltd. (志丹縣新晟光伏科技有限公司)	2020–2022	2023–2025
Xilingol Xinyuan New Energy Co., Ltd. (錫林郭勒新圓新能源有限公司)	2020–2022	2023–2025
Zhengxiangbai Banner Fengsheng Power Generation Co., Ltd. (正鑲白旗風盛發電有限公司)	2020–2022	2023–2025
Mulei County Jiayu Fengsheng Power Generation Co., Ltd. (木壘縣嘉裕風晟發電有限公司)	2021–2023	2024–2026
Mulei County Xinte Huineng Power Generation Co., Ltd. (木壘縣新特匯能發電有限責任公司)	2021–2023	2024–2026
Heze Mudan District Haofeng New Energy Co., Ltd. (菏澤市牡丹區浩風新能源有限公司)	2021–2023	2024–2026
Luyi Fengyi Power Co., Ltd. (鹿邑縣風易發電有限公司)	2021–2023	2024–2026
Burqin County Jingneng Wind Power Co., Ltd. (布爾津縣晶能風力發電有限責任公司)	2021–2023	2024–2026
Zhongmin (Mulei) Wind Power Co., Ltd. (中閩 (木壘) 風電有限公司)	2021–2023	2024–2026
Hami Zhenchao Wind Power Co., Ltd. (哈密市振超風力發電有限公司)	2022–2024	2025–2027
Dunhuang Teneng New Energy Co., Ltd. (敦煌市特能新能源有限公司)	2022–2024	2025–2027

Ⅳ. TAXATION (Continued)

2. Tax preference (Continued)

(2) Enterprise income tax (Continued)

3) Preferential enterprise tax treatment for public infrastructure projects (Continued)

Name of company	Exemption period of income tax	50% reduction period of income tax
Xingtang County Xingte New Energy Co., Ltd. (行唐縣行特新能源有限公司)	2022–2024	2025–2027
Wuwei Wusheng New Energy Technology Co., Ltd. (武威武晟新能源科技有限公司)	2023–2025	2026–2028
Shache County Xinshang Energy Power Generation Co., Ltd. (莎車縣新尚能源發電有限責任公司)	2023–2025	2026–2028
Ruoqiang Zhuo Shang New Energy Co., Ltd. (若羌縣卓尚新能源有限公司)	2023–2025	2026–2028
Hami Shisanjianfang Xinte Wind Energy Co., Ltd. (哈密十三間房新特風能有限責任公司)	2023–2025	2026–2028
Xifeng Rongsheng Power New Energy Co., Ltd. (西豐縣榮晟電力新能源有限公司)	2023–2025	2026–2028
Kalpin County Kete New Energy Co., Ltd. (柯坪縣柯特新能源有限責任公司)	2023–2025	2026–2028
Wenxi County Xinjia New Energy Co., Ltd. (聞喜縣新佳新能源有限公司)	2024–2026	2027–2029
Tianjin LingSheng New Energy Co., Ltd. (天津市凌晟新能源有限公司)	2024–2026	2027–2029
Fuping County Mingte New Energy Co., Ltd. (阜平縣名特新能源有限公司)	2023–2025	2026–2028
Xuyi High Drive Wind Power Co., Ltd. (盱眙高傳風力發電有限公司)	2020–2022	2023–2025
Nanning Huineng Wind Power Co., Ltd. (南寧匯能風力發電有限公司)	2025–2027	2028–2030
Sixian Mingyuan Guangsheng Wind Power Co., Ltd. (泗縣明源廣晟風力發電有限公司)	2024–2026	2027–2029
Suichuan County Huafeng Power Generation Co., Ltd. (遂川縣華風發電有限公司)	2025–2027	2028–2030
Yongcheng Chenfeng New Energy Power Generation Co., Ltd. (永城市宸楓新能源發電有限公司)	2025–2027	2028–2030

Ⅳ. TAXATION (Continued)

2. Tax preference (Continued)

(2) Enterprise income tax (Continued)

3) Preferential enterprise tax treatment for public infrastructure projects (Continued)

Name of company	Exemption period of income tax	50% reduction period of income tax
Yongcheng Chenfeng Xingneng New Energy Co., Ltd. (永城市宸楓興能新能源有限公司)	2025–2027	2028–2030
Chengde Fengsheng PV Power Generation Co., Ltd. (承德縣豐晟光伏發電有限公司)	Distributed: 2023–2025 Centralized: 2024–2026	Distributed: 2026–2028 Centralized: 2027–2029
Ruoqiang Tongchang New Energy Co., Ltd. (若羌縣同昌新能源有限公司)	2025–2027	2028–2030
Changji Prefecture Shengyu New Energy Power Generation Co., Ltd. (昌吉州盛裕新能源發電有限公司)	2025–2027	2028–2030
Changji Prefecture Shengding New Energy Power Generation Co., Ltd. (昌吉州盛鼎新能源發電有限公司)	2025–2027	2028–2030
Urumqi Junsheng Wind Power Generation Co., Ltd. (烏魯木齊縣君盛風力發電有限公司)	2023–2025	2026–2028

Ⅳ. TAXATION (Continued)

2. Tax preference (Continued)

(2) Enterprise income tax (Continued)

4) Preferential tax treatment for small and low-profit enterprises

According to the Announcement of the MOF and the State Administration of Taxation on Further Support of Tax Policies for Development of Small and Micro Enterprises and Individual Business (Announcement of the MOF and the SAT [2023] No. 12), the taxable income of small and low-profit enterprises shall be calculated at the tax rate of 25%, and the policy of paying enterprise income tax at the tax rate of 20% shall continue to be implemented until 31 December 2027. Xinjiang Information Technology Co., Ltd. (新疆知信科技有限公司), Xinjiang Shahai Green Energy Services Co., Ltd. (新疆沙海綠色能源服務有限公司), Xinjiang Xinte Energy Logistic Co., Ltd. (新疆新特能源物流有限公司) and Xinjiang Silicon-based New Material Innovation Center Co., Ltd. (新疆硅基新材料創新中心有限公司), subsidiaries of the Company, are eligible for the preferential tax policies for small and micro enterprises, with the enterprise income tax levied at the applicable tax rate for small and micro enterprises in 2025.

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

For the data of consolidated financial statements disclosed below, unless otherwise indicated, "opening" or "beginning of the year" represents 1 January 2025; "closing" or "end of the year" represents 31 December 2025; "current year" represents the year from 1 January to 31 December 2025; "previous year" represents the year from 1 January to 31 December 2024; all figures are stated in RMB.

1. Monetary capital

Items	Closing balance	Opening balance
Cash in hand	**0.00**	0.00
Bank deposits	**3,708,993,834.83**	4,185,504,812.91
Other monetary capital	**3,454,329,270.97**	7,008,304,973.35
Deposit in financial company	**2,083,250,829.27**	469,275,053.50
Total	**9,246,573,935.07**	11,663,084,839.76
Including: Total amount deposited overseas	**122,343,777.87**	176,457,815.38

Restricted monetary capital

Items	Closing balance	Opening balance
Term deposits and call deposits	**956,903,451.19**	3,925,340,874.77
Security deposits for bank acceptance notes	**1,392,287,558.80**	1,698,068,734.26
Funds frozen by the court	**493,886,039.58**	226,180,269.81
Security deposits for the letter of guarantee	**123,737,851.65**	129,750,783.46
Environmental restoration and governance guarantee fund	**13,868,494.52**	0.00
Special funds under shared accounts	**145,725,414.74**	110,107,804.83
Futures margin	**50,735,832.75**	43,286,888.25
Margin and deposits for land rehabilitation	**31,120,567.75**	32,856,977.62
Foreign exchange margin	**0.00**	2,832,839.23
Others	**20,566,035.10**	16,721.60
Total	**3,228,831,246.08**	6,168,441,893.83

Note: The unrestricted monetary capital included in other monetary capital mainly represent funds in futures accounts and securities accounts that can be readily reversed.

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

2. Financial assets held for trading

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss	**84,947,050.09**	78,940,678.80
Including: Investments in equity instruments	**54,110,364.14**	52,454,608.34
Derivative financial instruments	**24,060,104.84**	0.00
Structured bank deposits	**6,776,581.11**	26,486,070.46
Total	**84,947,050.09**	78,940,678.80

Note: Investments in equity instruments represent equity investments held and are accounted for as financial assets at fair value through profit or loss and presented as financial assets held for trading in accordance with management's intention.

Details of derivative financial instruments are as follows:

Items	Closing balance	Opening balance
Derivative financial assets with designated hedging relationship	**24,060,104.84**	0.00
Including: Forward exchange contracts	**22,714,214.84**	0.00
Commodity futures contracts	**1,345,890.00**	0.00
Total	**24,060,104.84**	0.00

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

3. Notes receivable

(1) Notes receivable by category

Items	Closing balance	Opening balance
Bank acceptance notes	139,159,565.47	388,504,071.71
Trade acceptance notes	588,740.62	612,377,670.37
Total	139,748,306.09	1,000,881,742.08

(2) Method of provision for bad debts by category

	Closing balance				
	Book balance		Provision for bad debts		
Category	Amount	Percentage (%)	Amount	Provision percentage (%)	Carrying amount
Bad debt provision made on individual basis	0.00	0.00	0.00	0.00	0.00
Bad debt provision made on a collective basis	141,159,905.14	100.00	1,411,599.05	1.00	139,748,306.09
Including: Bank acceptance notes	140,565,217.64	99.58	1,405,652.17	1.00	139,159,565.47
Trade acceptance notes	594,687.50	0.42	5,946.88	1.00	588,740.62
Total	141,159,905.14	100.00	1,411,599.05	–	139,748,306.09

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

3. Notes receivable (Continued)

(2) Method of provision for bad debts by category (Continued)

Category	Opening balance Book balance Amount	Book balance Percentage (%)	Provision for bad debts Amount	Provision for bad debts Provision percentage (%)	Carrying amount
Bad debt provision made on individual basis	0.00	0.00	0.00	0.00	0.00
Bad debt provision made on a collective basis	1,010,991,658.66	100.00	10,109,916.58	1.00	1,000,881,742.08
Including: Bank acceptance notes	392,428,355.26	38.82	3,924,283.55	1.00	388,504,071.71
Trade acceptance notes	618,563,303.40	61.18	6,185,633.03	1.00	612,377,670.37
Total	1,010,991,658.66	100.00	10,109,916.58	–	1,000,881,742.08

1) Bad debt provision made on notes receivable on individual basis: Nil.

2) Bad debt provision made on notes receivable on a collective basis

Name	Closing balance Book balance	Closing balance Provision for bad debts	Closing balance Provision percentage (%)
Bank acceptance notes	**140,565,217.64**	**1,405,652.17**	**1.00**
Trade acceptance notes	**594,687.50**	**5,946.88**	**1.00**
Total	**141,159,905.14**	**1,411,599.05**	**–**

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

3. Notes receivable (Continued)

(3) Provisions for bad debt accrued, recovered or reversed for notes receivable during the current year

Category	Opening balance	Changes of the current year				Closing balance
		Accrued	Recovered or reversed	Carry-forward or written off	Others	
Bank acceptance notes	3,924,283.55	-2,518,631.38	0.00	0.00	0.00	1,405,652.17
Trade acceptance notes	6,185,633.03	-6,179,686.15	0.00	0.00	0.00	5,946.88
Total	10,109,916.58	-8,698,317.53	0.00	0.00	0.00	1,411,599.05

(4) Pledged notes receivable at the end of the year

Items	Pledged amount at the end of the year
Bank acceptance notes	23,194,469.70
Trade acceptance notes	0.00
Total	23,194,469.70

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

3. Notes receivable (Continued)

(5) Notes receivable endorsed or discounted at the end of the year but not mature at the balance sheet date

Items	Amount derecognized at the end of the year	Amount not derecognized at the end of the year
Bank acceptance notes	0.00	86,830,437.13
Trade acceptance notes	0.00	0.00
Total	0.00	86,830,437.13

(6) Notes receivable written off in the current year

Nil.

(7) Aging of the notes receivable at the end of the year

The aging of all the above notes receivable at the end of the year of the Group was within 365 days.

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

4. Accounts receivable

(1) Accounts receivable by aging

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	**3,334,850,637.46**	2,369,836,102.92
1 year to 2 years (inclusive)	**902,624,112.58**	884,512,706.36
2 years to 3 years (inclusive)	**666,635,129.86**	902,927,862.55
3 years to 4 years (inclusive)	**615,240,604.78**	770,794,973.24
4 years to 5 years (inclusive)	**660,078,020.86**	327,112,752.16
Over 5 years	**643,610,307.23**	374,883,392.26
Total	**6,823,038,812.77**	5,630,067,789.49

(2) Method of provision for bad debts made on accounts receivable by category

Category	Closing balance				
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	Carrying amount
Bad debt provision made on individual basis	94,448,537.36	1.38	94,448,537.36	100.00	0.00
Bad debt provision made on a collective basis	6,728,590,275.41	98.62	579,105,736.19	8.61	6,149,484,539.22
Including: By portfolio of aging	3,332,656,511.29	48.84	363,072,776.86	10.89	2,969,583,734.43
By portfolio of electricity and subsidies	3,395,933,764.12	49.78	216,032,959.33	6.36	3,179,900,804.79
Total	6,823,038,812.77	100.00	673,554,273.55	–	6,149,484,539.22

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

4. Accounts receivable (Continued)

(2) Method of provision for bad debts made on accounts receivable by category (Continued)

	Opening balance				
	Book balance		Provision for bad debts		
Category	Amount	Percentage (%)	Amount	Provision percentage (%)	Carrying amount
Bad debt provision made on individual basis	92,565,816.17	1.64	92,565,816.17	100.00	0.00
Bad debt provision made on a collective basis	5,537,501,973.32	98.36	479,058,659.26	8.65	5,058,443,314.06
Including: By portfolio of aging	2,485,204,509.04	44.14	299,458,548.24	12.05	2,185,745,960.80
By portfolio of electricity and subsidies	3,052,297,464.28	54.22	179,600,111.02	5.88	2,872,697,353.26
Total	5,630,067,789.49	100.00	571,624,475.43	–	5,058,443,314.06

Note: Details of restricted accounts receivable are set out in Note V. 59; details of pledged accounts receivable are set out in Note XIV. 3.

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

4. Accounts receivable (Continued)

(2) Method of provision for bad debts made on accounts receivable by category (Continued)

1) Bad debt provision made on accounts receivable on individual basis

Name	Opening balance		Closing balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for provision
Reduction or cancellation of electricity price subsidies for some projects	92,565,816.17	92,565,816.17	78,142,451.14	78,142,451.14	100.00	Not expected to be recovered
Nanjing Ronghao Construction Engineering Co., Ltd.* (南京榮浩建設工程有限公司)	0.00	0.00	16,306,086.22	16,306,086.22	100.00	Not expected to be recovered
Total	92,565,816.17	92,565,816.17	94,448,537.36	94,448,537.36	100.00	–

2) Bad debt provision made on accounts receivable on a collective basis

Aging	Closing balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within 1 year (inclusive)	2,432,898,568.72	48,657,971.38	2.00
1 year to 2 years (inclusive)	255,907,406.61	12,795,370.34	5.00
2 years to 3 years (inclusive)	169,416,338.30	33,883,267.65	20.00
3 years to 4 years (inclusive)	141,180,138.69	42,354,041.60	30.00
4 years to 5 years (inclusive)	215,743,866.17	107,871,933.09	50.00
Over 5 years	117,510,192.80	117,510,192.80	100.00
Total	3,332,656,511.29	363,072,776.86	–

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

4. Accounts receivable (Continued)

(2) Method of provision for bad debts made on accounts receivable by category (Continued)

3) Bad debt provision made on accounts receivable using other methods

For the portfolio of electricity and subsidies, with reference to aging, the Company discounted the book balance of the portfolio of electricity and subsidies by 10% below the five-year LPR for the Reporting Period, and calculated the expected credit loss based on the difference between the carrying amount and the discounted amount.

	Closing balance		
Items	**Book balance**	**Bad debt provision**	**Provision percentage (%)**
Portfolio of electricity and subsidies	**3,395,933,764.12**	**216,032,959.33**	**6.36**

	Opening balance		
Items	Book balance	Bad debt provision	Provision percentage (%)
Portfolio of electricity and subsidies	3,052,297,464.28	179,600,111.02	5.88

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

4. Accounts receivable (Continued)

(3) Provisions for bad debt accrued, recovered or reversed for accounts receivable during the current year

Category	Opening balance	Changes of the current year				Closing balance
		Accrued	Recovered or reversed	Carry-forward or written off	Others	
Bad debt provision made on accounts receivable	571,624,475.43	89,675,180.85	0.00	4,605,496.65	16,860,113.92	673,554,273.55
Total	571,624,475.43	89,675,180.85	0.00	4,605,496.65	16,860,113.92	673,554,273.55

Note: During the Reporting Period, the amount of bad debt provision for other changes was mainly due to changes in the scope of consolidation of the Company.

(4) Accounts receivable written off in the current year

Items	Amount written off
Accounts receivable written off	4,605,496.65

Note: The write-off during the reporting period was mainly for receivables from miscellaneous services, etc. There were no significant accounts receivable write-off.

(5) Particulars of the top five of closing balances of accounts receivable and contract assets presented by debtors

The aggregate amount of the top five of closing balances of accounts receivable and contract assets presented by debtors was RMB3,658,189,612.49 in the current year, accounting for 43.55% of the total closing balance of accounts receivable and contract assets, and the aggregate amount of the closing balance of corresponding provision for bad debts was RMB432,628,892.53.

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

5. Contract assets

(1) Breakdown of contract assets

Items	Closing balance Book balance	Provision for bad debts	Carrying amount
Projects completed but not settled	1,129,986,672.31	242,780,416.93	887,206,255.38
Retention money	448,502,013.51	24,672,984.64	423,829,028.87
Total	1,578,488,685.82	267,453,401.57	1,311,035,284.25

Items	Opening balance Book balance	Provision for bad debts	Carrying amount
Projects completed but not settled	2,208,285,090.26	51,181,675.69	2,157,103,414.57
Retention money	317,714,584.14	104,975,334.61	212,739,249.53
Total	2,525,999,674.40	156,157,010.30	2,369,842,664.10

(2) The amount and reasons for significant changes in carrying amount during the year

The change in carrying amount during the year is primarily due to the progress of engineering projects satisfying the settlement conditions and has been settled this year.

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

5. Contract assets (Continued)

(3) Method of provision for bad debts made on contract assets by category

Category	Closing balance Book balance Amount	 Percentage (%)	 Provision for bad debts Amount	 Provision percentage (%)	 Carrying amount
Bad debt provision made on individual basis	0.00	0.00	0.00	0.00	0.00
Bad debt provision made on a collective basis	1,578,488,685.82	100.00	267,453,401.57	16.94	1,311,035,284.25
Including: Completed and unsettled project portfolio	1,129,986,672.31	71.59	242,780,416.93	21.49	887,206,255.38
Retention money portfolio	448,502,013.51	28.41	24,672,984.64	5.50	423,829,028.87
Total	1,578,488,685.82	100.00	267,453,401.57	–	1,311,035,284.25

Category	Opening balance Book balance Amount	 Percentage (%)	 Provision for bad debts Amount	 Provision percentage (%)	 Carrying amount
Bad debt provision made on individual basis	0.00	0.00	0.00	0.00	0.00
Bad debt provision made on a collective basis	2,525,999,674.40	100.00	156,157,010.30	6.18	2,369,842,664.10
Including: Completed and unsettled project portfolio	2,208,285,090.26	87.42	51,181,675.69	2.32	2,157,103,414.57
Retention money portfolio	317,714,584.14	12.58	104,975,334.61	33.04	212,739,249.53
Total	2,525,999,674.40	100.00	156,157,010.30	–	2,369,842,664.10

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

5. Contract assets (Continued)

(3) Method of provision for bad debts made on contract assets by category (Continued)

1) Bad debt provision made on contract assets on individual basis: Nil.

2) Bad debt provision made on contract assets on a collective basis

Name	Closing balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Completed and unsettled project portfolio	1,129,986,672.31	242,780,416.93	21.49
Retention money portfolio	448,502,013.51	24,672,984.64	5.50
Total	1,578,488,685.82	267,453,401.57	—

(4) Provision for bad debts of contract assets accrued

Items	Opening balance	Changes of the current year				Closing balance
		Accrued in current year	Recovered or reversed in current year	Carry-forward/ written off in current year	Other changes	
Projects completed but not settled	51,181,675.69	191,598,741.24	0.00	0.00	0.00	242,780,416.93
Retention money	104,975,334.61	-80,302,349.97	0.00	0.00	0.00	24,672,984.64
Total	156,157,010.30	111,296,391.27	0.00	0.00	0.00	267,453,401.57

(5) Contract assets actually written off in the current year: Nil.

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

6. Receivables financing

(1) Receivables financing by category

Items	Closing balance	Opening balance
Notes receivable	**1,103,918,158.70**	1,151,997,262.66
Total	**1,103,918,158.70**	1,151,997,262.66

(2) Receivables financing pledged at the end of the year

Items	Pledged amount at the end of the year
Bank acceptance notes	**539,063,657.39**
Total	**539,063,657.39**

(3) Receivables financing endorsed or discounted at the end of the year but not mature at the balance sheet date

Items	Amount derecognized at the end of the year	Amount not derecognized at the end of the year
Bank acceptance notes	**322,504,354.57**	0.00
Total	**322,504,354.57**	0.00

Note: Details of restricted receivables financing are set out in Note V. 59.

(4) Receivables financing actually written off in the current year: Nil.

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

7. Prepayments

(1) Aging of prepayments

Items	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year (inclusive)	**549,017,921.52**	**64.28**	468,826,699.15	92.62
1 year to 2 years (inclusive)	**301,131,032.75**	**35.26**	19,984,571.21	3.95
2 years to 3 years (inclusive)	**1,472,166.51**	**0.17**	10,762,603.67	2.13
Over 3 years	**2,437,674.36**	**0.29**	6,620,737.38	1.30
Total	**854,058,795.14**	**100.00**	506,194,611.41	100.00

(2) Particulars of the top five of closing balances of prepayments presented by prepayment objects

The aggregate amount of the top five of closing balances of prepayments presented by prepayment objects was RMB657,375,925.80 in the current year, accounting for 76.98% of the total closing balance of prepayments.

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

8. Other receivables

Items	Closing balance	Opening balance
Interests receivable	**0.00**	0.00
Dividends receivable	**91,079,838.60**	106,296,344.58
Other receivables	**269,587,067.72**	321,249,670.14
Total	**360,666,906.32**	427,546,014.72

8.1 Interests receivable

Nil.

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

8. Other receivables (Continued)

8.2 Dividends receivable

(1) Dividends receivable by category

Items (or investees)	Closing balance	Opening balance
Jiangyong Shenghua Energy Development Co., Ltd. (江永晟華能源開發有限公司)	**26,004,490.26**	26,004,490.26
Wuling Jiangyong Power Co., Ltd. (五凌江永電力有限公司)	**17,267,200.00**	23,408,614.25
Xuwen Haoneng PV Power Generation Co., Ltd. (徐聞縣昊能光伏發電有限公司)	**17,054,157.82**	17,054,157.82
Turpan TBEA New Energy Co., Ltd. (吐魯番特變電工新能源有限公司)	**8,450,692.22**	8,450,692.22
Daoxian Clean Energy Development Co., Ltd. (道縣清潔能源開發有限公司)	**9,541,081.55**	14,281,884.40
Wujiaqu Xinte Energy Co., Ltd. (五家渠新特能源有限責任公司)	**5,458,053.28**	1,718,764.69
Jiangyong Clean Energy Development Co., Ltd. (江永清潔能源開發有限公司)	**3,796,496.83**	13,045,121.44
Xi'an Yusheng PV Power Generation Co., Ltd. (西安煜盛光伏發電有限公司)	**1,965,583.86**	0.00
Sichuan Ganzi Datang International New Energy Co., Ltd. (四川甘孜大唐國際新能源有限責任公司)	**1,542,082.78**	1,542,082.78
Wujiaqu TBEA PV Power Technology Co., Ltd. (五家渠特變電工光電科技有限責任公司)	**0.00**	790,536.72
Total	**91,079,838.60**	106,296,344.58

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

8. Other receivables (Continued)

8.2 Dividends receivable (Continued)

(2) Significant dividends receivable with aging of over 1 year

Items (or investees)	Closing balance	Aging	Reason for non-recovery	Whether impairment is incurred and the basis of judgment
Jiangyong Shenghua Energy Development Co., Ltd. (江永晟華能源開發有限公司)	26,004,490.26	1 year–2 years	Collection conditions have not been met	No
Wuling Jiangyong Power Co., Ltd. (五凌江永電力有限公司)	17,267,200.00	Within 3 years	Collection conditions have not been met	No
Xuwen Haoneng PV Power Generation Co., Ltd. (徐聞縣昊能光伏發電有限公司)	17,054,157.82	Over 5 years	Collection conditions have not been met	No

8.3 Other receivables

(1) Other receivables by nature

Nature of amount	Book balance at the end of the year	Book balance at the beginning of the year
Advances	33,542,455.67	51,095,440.15
Margin and deposits	158,448,356.54	262,509,454.21
Principals and interests of borrowings	88,626,094.73	26,035,503.43
Reserve funds	5,526,545.15	9,812,218.77
Other transactions	751,076.66	3,000,630.97
Total	286,894,528.75	352,453,247.53

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

8. Other receivables (Continued)

8.3 Other receivables (Continued)

(2) Other receivables by aging

Aging	Book balance at the end of the year	Book balance at the beginning of the year
Within 1 year (inclusive)	133,026,855.42	248,980,145.60
1 year to 2 years (inclusive)	130,255,005.74	60,321,972.17
2 years to 3 years (inclusive)	10,302,345.10	7,334,721.81
3 years to 4 years (inclusive)	5,260,326.54	17,114,352.35
4 years to 5 years (inclusive)	7,108,778.71	4,190,859.57
Over 5 years	941,217.24	14,511,196.03
Total	286,894,528.75	352,453,247.53

(3) Method of provision for bad debts made on other receivables by category

	Closing balance				
	Book balance		Provision for bad debts		
Category	Amount	Percentage (%)	Amount	Provision percentage (%)	Carrying amount
Bad debt provision made on individual basis	0.00	0.00	0.00	0.00	0.00
Bad debt provision made on a collective basis	286,894,528.75	100.00	17,307,461.03	6.03	269,587,067.72
Including: By portfolio of aging	286,894,528.75	100.00	17,307,461.03	6.03	269,587,067.72
Total	286,894,528.75	100.00	17,307,461.03	–	269,587,067.72

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

8. Other receivables (Continued)

8.3 Other receivables (Continued)

(3) Method of provision for bad debts made on other receivables by category (Continued)

Category	Opening balance Book balance Amount	Book balance Percentage (%)	Provision for bad debts Amount	Provision for bad debts Provision percentage (%)	Carrying amount
Bad debt provision made on individual basis	0.00	0.00	0.00	0.00	0.00
Bad debt provision made on a collective basis	352,453,247.53	100.00	31,203,577.39	8.85	321,249,670.14
Including: By portfolio of aging	352,453,247.53	100.00	31,203,577.39	8.85	321,249,670.14
Total	**352,453,247.53**	**100.00**	**31,203,577.39**	**–**	**321,249,670.14**

1) Bad debt provision made on other receivables on individual basis

Nil.

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

8. Other receivables (Continued)

8.3 Other receivables (Continued)

(3) Method of provision for bad debts made on other receivables by category (Continued)

2) Bad debt provision made on other receivables on a collective basis

Aging	Closing balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Within 1 year (inclusive)	133,026,855.42	2,660,537.14	2.00
1 year to 2 years (inclusive)	130,255,005.74	6,512,750.30	5.00
2 years to 3 years (inclusive)	10,302,345.10	2,060,469.01	20.00
3 years to 4 years (inclusive)	5,260,326.54	1,578,097.97	30.00
4 years to 5 years (inclusive)	7,108,778.71	3,554,389.37	50.00
Over 5 years	941,217.24	941,217.24	100.00
Total	286,894,528.75	17,307,461.03	–

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

8. Other receivables (Continued)

8.3 Other receivables (Continued)

(3) Method of provision for bad debts made on other receivables by category (Continued)

3) Provision for bad debts made on other receivables using the general model of expected credit loss

Provision for bad debts	Stage 1 12-month expected credit loss	Stage 2 Lifetime expected credit loss (without credit impairment)	Stage 3 Lifetime expected credit loss (with credit impairment)	Total
Balance as at 1 January 2025	31,203,577.39	0.00	0.00	31,203,577.39
Balance as at 1 January 2025 for the current year	–	–	–	–
– transferred to Stage 2	0.00	0.00	0.00	0.00
– transferred to Stage 3	0.00	0.00	0.00	0.00
– reversed to Stage 2	0.00	0.00	0.00	0.00
– reversed to Stage 1	0.00	0.00	0.00	0.00
Accrued in current year	-7,487,911.11	0.00	0.00	-7,487,911.11
Reversed in current year	0.00	0.00	0.00	0.00
Carry-forward in current year	0.00	0.00	0.00	0.00
Written off in current year	735,069.70	0.00	0.00	735,069.70
Other changes	-5,673,135.55	0.00	0.00	-5,673,135.55
Balance as at 31 December 2025	17,307,461.03	0.00	0.00	17,307,461.03

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

8. Other receivables (Continued)

8.3 Other receivables (Continued)

(4) Provisions for bad debt accrued, recovered or reversed for other receivables during the current year

Category	Opening balance	Changes of the current year				Closing balance
		Accrued	Recovered or reversed	Carry-forward or written off	Others	
Bad debt provision made on other receivables	31,203,577.39	-7,487,911.11	0.00	735,069.70	-5,673,135.55	**17,307,461.03**
Total	31,203,577.39	-7,487,911.11	0.00	735,069.70	-5,673,135.55	**17,307,461.03**

Note: During the Reporting Period, the amount of bad debt provision for other changes decreased by RMB5,673,135.55, mainly due to changes in the scope of consolidation of the Company.

(5) Other receivables written off in the current year

Items	Amount written off
Other receivables written off	735,069.70

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

8. Other receivables (Continued)

8.3 Other receivables (Continued)

(6) Particulars of the top five of closing balances of other receivables presented by debtors

Name of entity	Nature of amount	Closing balance	Aging	Percentage to the total closing balance of other receivables (%)	Closing balance of bad debt provision
Shandong Xinxin Energy Technology Co., Ltd. (山東莘信能源科技有限公司)	Margin and deposits	85,000,000.00	1 year–2 years	29.63	4,250,000.00
Gucheng Junneng New Energy Technology Co., Ltd. (故城俊能新能源科技有限公司)	Principals and interests of borrowings	15,578,142.08	Within 1 year	5.43	311,562.84
Guyuan County Guangsheng Photovoltaic Power Generation Co., Ltd. (沽源縣光晟光伏發電有限公司)	Principals and interests of borrowings	14,338,625.00	0 year –2 years	5.00	615,081.25
Beijing Jingchuan Electronic Technology Development Co., Ltd. (北京晶川電子技術發展有限責任公司)	Margin and deposits	13,607,102.60	1 year–2 years	4.74	680,355.13
Heilongjiang Provincial Public Resources Trading Center (黑龍江省公共資源交易中心)	Margin and deposits	9,829,600.00	Within 1 year	3.43	196,592.00
Total	–	138,353,469.68	–	48.23	6,053,591.22

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

9. Inventories

(1) Inventories by category

Items	Book balance	Closing balance Reserve for inventory depreciation/ provision for impairment of contract performance cost	Carrying amount
Raw materials	918,696,087.80	74,173,557.49	844,522,530.31
Packaging materials and low-value consumables	10,129,084.90	1,061,946.90	9,067,138.00
Goods in stock	662,561,557.23	46,593,254.74	615,968,302.49
Work in progress and semi-finished goods	452,224,616.64	12,608,259.39	439,616,357.25
Materials processed on commission	124,525.75	0.00	124,525.75
Goods in transit	242,479,230.70	0.00	242,479,230.70
Wind power and PV power plants	3,155,098,845.23	56,360,176.47	3,098,738,668.76
Total	5,441,313,948.25	190,797,194.99	5,250,516,753.26

Items	Book balance	Opening balance Reserve for inventory depreciation/ provision for impairment of contract performance cost	Carrying amount
Raw materials	1,096,295,329.31	154,196,032.29	942,099,297.02
Packaging materials and low-value consumables	6,229,678.95	0.00	6,229,678.95
Goods in stock	267,114,128.05	54,490,329.37	212,623,798.68
Work in progress and semi-finished goods	438,140,306.92	235,623,729.76	202,516,577.16
Materials processed on commission	10,657,655.32	7,243,219.47	3,414,435.85
Goods in transit	241,967,293.27	0.00	241,967,293.27
Wind power and PV power plants	3,276,438,868.30	160,192,243.52	3,116,246,624.78
Total	5,336,843,260.12	611,745,554.41	4,725,097,705.71

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

9. Inventories (Continued)

(2) Reserve for inventory depreciation and provision for impairment of contract performance cost

Items	Opening balance	Increase in current year		Decrease in current year		Closing balance
		Accrued	Others	Reversed or written off	Others	
Raw materials	154,196,032.29	165,880,164.02	0.00	245,902,638.82	0.00	74,173,557.49
Packaging materials and low-value consumables	0.00	1,061,946.90	0.00	0.00	0.00	1,061,946.90
Goods in stock	54,490,329.37	83,185,377.59	0.00	91,082,452.22	0.00	46,593,254.74
Work in progress and semi-finished goods	235,623,729.76	189,996,330.62	0.00	413,011,800.99	0.00	12,608,259.39
Materials processed on commission	7,243,219.47	0.00	0.00	7,243,219.47	0.00	0.00
Wind power and PV power plants	160,192,243.52	56,920,122.29	0.00	67,148,848.15	93,603,341.19	56,360,176.47
Total	611,745,554.41	497,043,941.42	0.00	824,388,959.65	93,603,341.19	190,797,194.99

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

9. Inventories (Continued)

(3) Provisions for inventory depreciation and provisions for impairment of contract performance cost accrued

Reserve for inventory depreciation	Specific basis for determining net realizable value	Reasons for reversing or writing off the reserve for inventory depreciation during the year
Raw materials	The carrying amount is higher than net realizable value (the estimated selling price of the finished goods to be produced less the estimated costs to be incurred until completion, estimated selling expenses and relevant taxes)	Requisition of raw materials
Packaging materials and low-value consumables	The carrying amount is higher than net realizable value (the estimated selling price of the finished goods to be produced less the estimated costs to be incurred until completion, estimated selling expenses and relevant taxes)	Requisition of packaging materials and low-value consumables
Goods in stock	The carrying amount is higher than net realizable value (the estimated selling price less estimated selling expenses and related taxes)	Sales of goods in stock
Work in progress and semi-finished goods	The carrying amount is higher than net realizable value (the estimated selling price of the finished goods to be produced less the estimated costs to be incurred until completion, estimated selling expenses and relevant taxes)	Requisition of work in progress and semi-finished goods
Materials processed on commission	The carrying amount is higher than net realizable value (the estimated selling price of the finished goods to be produced less the estimated costs to be incurred until completion, estimated selling expenses and relevant taxes)	Requisition of materials processed on commission
Wind power and PV power plants	The carrying amount is higher than net realizable value (present value of future cash flows)	Sales of new energy power plants

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

9. Inventories (Continued)

(3) Provisions for inventory depreciation and provisions for impairment of contract performance cost accrued (Continued)

Provisions for inventory depreciation for raw materials, packaging materials and low-value consumables, goods in stock, work in progress, semi-finished goods, and wind power and PV power plants amounted to RMB497,043,941.42 in total during the year, which was written off by RMB824,388,959.65, and other changes amounted to RMB93,603,341.19. These changes were primarily attributable to the change in holding intention regarding the 30MWp PV project in Heqing County, Yunnan of Heqing Huineng Power Generation Co., Ltd. (鶴慶匯能發電有限責任公司), a project company of TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司), to self-holding, resulting in an adjustment from inventory to fixed assets and right-of-use assets. The remaining provisions for depreciation at the end of the year were RMB190,797,194.99, primarily arising from the provisions for inventory depreciation for goods in stock, work in progress, semi-finished goods, and relevant raw materials of polysilicon as a result of the impact of polysilicon's market price decline.

10. Non-current assets due within one year

Items	Closing balance	Opening balance
Large certificates of deposit due within one year	**218,596,250.02**	0.00
Total	**218,596,250.02**	0.00

11. Other current assets

Items	Closing balance	Opening balance
Large certificates of deposit	**702,382,621.13**	877,760,788.34
Value-added tax credits	**864,688,021.95**	719,940,217.44
Prepaid enterprise income tax	**15,049,369.68**	42,092,723.75
Prepaid goods and services tax	**4,846,078.05**	11,012,523.57
Total	**1,586,966,090.81**	1,650,806,253.10

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

12. Long-term equity investments

Investees	Opening balance (carrying amount)	Changes in current year									Closing balance (carrying amount)	Closing balance of provision for impairment
		Opening balance of provision for impairment	Additional investment	Decrease in investment	Profit or loss on investments recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Declaration of cash dividends or profits	Provision for impairment	Others		
I. Joint venture												
Joint venture	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Associates												
Xinjiang Zhunneng Investment Co., Ltd. (新疆准能投資有限公司)	506,648,196.40	0.00	0.00	0.00	213,673,314.68	0.00	-12,139,229.30	0.00	0.00	0.00	708,182,281.78	0.00
Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	0.00	0.00	1,507,725,800.00	0.00	279,912,623.69	0.00	1,821,559.71	0.00	0.00	0.00	1,789,459,983.40	0.00
Jeminay Xinte Wind Power Co., Ltd. (吉木乃新特風電有限公司)	38,195,941.74	0.00	0.00	0.00	7,418,320.70	0.00	0.00	0.00	0.00	0.00	45,614,262.44	0.00
Wuling Jiangyong Power Co., Ltd. (五凌江永電力有限公司)	25,331,895.29	0.00	0.00	0.00	2,069,370.06	0.00	0.00	-6,141,414.25	0.00	0.00	33,542,679.60	0.00
Jiangyong Shenghua Energy Development Co., Ltd. (江永晟華能源開發有限公司)	78,531,923.75	0.00	0.00	0.00	12,967,937.94	0.00	0.00	13,607,300.00	0.00	0.00	77,892,561.69	0.00
Daoxian Clean Energy Development Co., Ltd. (道縣清潔能源開發有限公司)	38,097,948.01	0.00	0.00	0.00	6,314,406.92	0.00	0.00	3,359,197.15	0.00	0.00	41,053,157.78	0.00
Jiangyong Clean Energy Development Co., Ltd. (江永清潔能源開發有限公司)	37,235,041.40	0.00	0.00	0.00	5,899,160.26	0.00	0.00	3,796,496.83	0.00	0.00	39,337,704.83	0.00
Turpan TBEA New Energy Co., Ltd. (吐魯番特變電工新能源有限公司)	91,233,217.42	0.00	0.00	0.00	1,354,641.19	0.00	0.00	0.00	0.00	0.00	92,587,858.61	0.00
Wujiaqu Xinte Energy Co., Ltd. (五家渠新特能源有限責任公司)	20,278,224.92	0.00	0.00	0.00	626,882.51	0.00	0.00	3,739,288.59	0.00	0.00	17,165,818.84	0.00
Wujiaqu TBEA PV Power Technology Co., Ltd. (五家渠特變電工光電科技有限責任公司)	16,854,764.45	0.00	0.00	0.00	1,010,607.20	0.00	0.00	0.00	0.00	0.00	17,865,371.65	0.00
China Energy Xinjiang Ganquanpu Integrated Energy Co., Ltd. (國能新疆甘泉堡綜合能源有限公司)	20,011,375.31	0.00	0.00	0.00	3,586,313.91	0.00	0.00	0.00	0.00	0.00	23,597,689.22	0.00
Huaxiang (Hongdong) New Energy Technology Co., Ltd. (華翔(洪洞)新能源科技有限公司)	855,297.48	0.00	0.00	855,297.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total	873,273,826.17	0.00	1,507,725,800.00	855,297.48	534,833,579.06	0.00	-10,317,669.59	18,360,868.32	0.00	0.00	2,886,299,369.84	0.00
Total	873,273,826.17	0.00	1,507,725,800.00	855,297.48	534,833,579.06	0.00	-10,317,669.59	18,360,868.32	0.00	0.00	2,886,299,369.84	0.00

Note: The increase in the current year is due to the Company entering into an equity interest transfer agreement with Xinjiang Tianchi Energy Co., Ltd. (新疆天池能源有限責任公司) in December 2024, and subsequently acquiring a 49% equity interest in Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司) held by the latter during the year.

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

13. Other equity instrument investments

(1) Breakdown of other equity instrument investments

		Changes in current year									
Items	Opening balance	Additional investment	Decrease in investment	Gains included in other comprehensive income	Losses included in other comprehensive income	Others	Closing balance	Dividend income recognized in current year	Cumulative gains included in other comprehensive income at the end of the year	Cumulative losses included in other comprehensive income at the end of the year	Reason for being designated as FVOCI
Equity instrument investments	121,824,188.20	1,000,000.00	0.00	8,972,107.60	0.00	0.00	131,796,295.80	4,685,157.00	0.00	127,269,723.16	Held not for the purpose of trading
Total	121,824,188.20	1,000,000.00	0.00	8,972,107.60	0.00	0.00	131,796,295.80	4,685,157.00	0.00	127,269,723.16	–

(2) Derecognition in the current year

No other equity instrument investments were derecognized in the current year.

14. Fixed assets

Items	Closing balance	Opening balance
Fixed assets	**41,160,077,627.25**	41,000,088,297.20
Disposal of fixed assets	**0.00**	0.00
Total	**41,160,077,627.25**	41,000,088,297.20

Note: Details of restricted fixed assets are set out in Note V.59; details of pledged fixed assets are set out in Note XIV. 2.

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

14. Fixed assets (Continued)

(1) Breakdown of fixed assets

Items		Buildings and structures	Machinery and equipment	Transportation facilities	Electronic equipment	Others	Total
I.	**Original carrying amount**						
1.	**Opening balance**	13,900,662,326.99	42,123,760,280.21	97,800,595.60	262,382,794.89	457,663,120.53	56,842,269,118.22
2.	**Increase in current year**	1,182,727,788.72	3,586,696,493.88	7,551,112.20	40,091,642.33	7,200,339.74	4,824,267,376.87
	(1) Acquisition	35,779,980.42	96,284,804.13	7,304,652.03	38,025,739.47	5,125,900.74	182,521,076.79
	(2) Transfer from construction in progress	1,070,094,450.44	2,800,105,728.72	246,460.17	2,059,294.31	1,838,159.40	3,874,344,093.04
	(3) Other increases	76,853,357.86	690,305,961.03	0.00	6,608.55	236,279.60	767,402,207.04
3.	**Decrease in current year**	216,835,475.07	1,935,476,005.18	5,133,562.06	8,506,080.25	17,060,804.73	2,183,011,927.29
	(1) Disposal or retirement	6,606,803.67	602,294,733.07	5,133,562.06	5,019,042.89	14,878,931.64	633,933,073.33
	(2) Decrease in business merger	210,158,706.79	1,242,851,457.28	0.00	0.00	0.00	1,453,010,164.07
	(3) Other decreases	0.00	90,329,814.83	0.00	3,487,037.36	2,181,873.09	95,998,725.28
	(4) Foreign currency translation	69,964.61	0.00	0.00	0.00	0.00	69,964.61
4.	**Closing balance**	14,866,554,640.64	43,774,980,768.91	100,218,145.74	293,968,356.97	447,802,655.54	59,483,524,567.80
II.	**Accumulated depreciation**						
1.	**Opening balance**	2,078,346,433.92	9,970,959,330.36	40,139,229.90	147,506,059.49	225,935,687.64	12,462,886,741.31
2.	**Increase in current year**	473,312,540.65	2,374,178,126.71	9,976,485.95	33,828,136.98	33,486,211.18	2,924,781,501.47
	(1) Accrual	457,441,569.38	2,207,506,797.48	9,976,485.95	33,823,475.94	33,441,465.35	2,742,189,794.10
	(2) Other increases	15,870,971.27	166,671,329.23	0.00	4,661.04	44,745.83	182,591,707.37
3.	**Decrease in current year**	18,130,277.25	493,948,192.86	2,956,450.43	6,556,508.16	12,207,418.87	533,798,847.57
	(1) Disposal or retirement	1,113,423.42	387,374,926.72	2,956,450.43	4,173,022.68	10,167,231.61	405,785,054.86
	(2) Decrease in business merger	17,003,210.92	88,049,378.32	0.00	0.00	0.00	105,052,589.24
	(3) Other decreases	0.00	18,523,887.82	0.00	2,383,485.48	2,040,187.26	22,947,560.56
	(4) Foreign currency translation	13,642.91	0.00	0.00	0.00	0.00	13,642.91
4.	**Closing balance**	2,533,528,697.32	11,851,189,264.21	47,159,265.42	174,777,688.31	247,214,479.95	14,853,869,395.21

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

14. Fixed assets (Continued)

(1) Breakdown of fixed assets (Continued)

Items	Buildings and structures	Machinery and equipment	Transportation facilities	Electronic equipment	Others	Total
III. Provision for impairment						
1. Opening balance	534,284,291.54	2,830,236,037.38	252,868.44	6,555,169.15	7,965,713.20	3,379,294,079.71
2. Increase in current year	125,667,340.08	126,858,492.88	0.00	33,955.00	167,594.90	252,727,382.86
(1) Accrual	125,667,340.08	76,188,497.87	0.00	33,955.00	167,594.90	202,057,387.85
(2) Other increases	0.00	50,669,995.01	0.00	0.00	0.00	50,669,995.01
3. Decrease in current year	8,549.44	161,037,227.81	0.00	815,055.12	583,084.86	162,443,917.23
(1) Disposal or retirement	8,549.44	157,126,030.06	0.00	815,033.74	583,084.86	158,532,698.10
(2) Other decreases	0.00	3,911,197.75	0.00	21.38	0.00	3,911,219.13
4. Closing balance	659,943,082.18	2,796,057,302.45	252,868.44	5,774,069.03	7,550,223.24	3,469,577,545.34
IV. Carrying amount						
1. Carrying amount at the end of the year	11,673,082,861.14	29,127,734,202.25	52,806,011.88	113,416,599.63	193,037,952.35	41,160,077,627.25
2. Carrying amount at the beginning of the year	11,288,031,601.53	29,322,564,912.47	57,408,497.26	108,321,566.25	223,761,719.69	41,000,088,297.20

Note 1: The "Other increases" in the table was mainly due to changes in the scope of consolidation and the Company's clarification of the intention of holding the 30MWp PV project in Heqing County, Yunnan of Heqing Huineng Power Generation Co., Ltd. (鶴慶匯能發電有限責任公司), a project company of the Company, as self-holding, and adjusting it from inventory to intangible assets.

Note 2: The "Other decreases" in the table was mainly due to settlement adjustments regarding the Company's self-operated power stations.

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

14. Fixed assets (Continued)

(2) Temporarily idle fixed assets

Items	Original carrying amount	Accumulated depreciation	Provision for impairment	Carrying amount
Buildings and structures	844,281,174.12	306,606,445.74	471,523,046.50	66,151,681.88
Machinery and equipment	3,528,099,491.13	1,847,468,130.22	1,580,773,351.81	99,858,009.10
Transportation facilities	217,521.37	167,539.53	44,581.84	5,400.00
Electronic equipment	415,037.17	248,727.18	161,967.92	4,342.07
Other equipment	4,040,130.49	2,786,449.61	1,214,617.87	39,063.01
Total	4,377,053,354.28	2,157,277,292.28	2,053,717,565.94	166,058,496.06

(3) Fixed assets leased by operating leases

Nil.

(4) Fixed assets without certificate of title

Items	Carrying amount	Reason for not having the certificate of title
Buildings and structures	3,555,847,408.53	The application and approval procedures take a long time and are ongoing

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

14. Fixed assets (Continued)

(5) Impairment test of fixed assets

1) The recoverable amount is determined based on the net amount of fair value less disposal expenses

Items	Carrying amount	Recoverable amount	Impairment amount	Determination of fair value and disposal expenses	Key parameters	Basis for determining key parameters
New energy power station construction supporting industrial park	169,641,905.86	43,774,388.08	125,867,517.78	Cash flow discounting method	Expected recoverable amount of the industrial park	Appraised fair value
Xinjiang Xinte Energy Construction Material Co., Ltd. (新疆新特新能建材有限公司) aerated blocks production line	55,443,279.17	4,931,980.33	50,511,298.84	Recycling price of scrap equipment on base date	Recycling price	Appraised fair value
Total	225,085,185.03	48,706,368.41	176,378,816.62	–	–	–

Note 1: The Group has conducted an impairment test on four supporting industrial parks located in Gansu, Xinjiang and other regions which showed indicators of impairment, and determined the portion that the carrying amount was lower than the recoverable amount. As at 31 December 2025, a total provision for asset impairment of RMB125,867,517.78 was made for the above industrial parks.

Note 2: The Company's subsidiary, Xinjiang Xinte Energy Construction Material Co., Ltd. (新疆新特新能建材有限公司), has conducted an impairment test on the production lines related to aerated blocks. The impairment was determined based on the net amount of fair value less disposal expenses. As at 31 December 2025, a provision for asset impairment of RMB50,511,298.84 was made for the assets related to these production lines.

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

14. Fixed assets (Continued)

(5) Impairment test of fixed assets (Continued)

2) The recoverable amount is determined based on the present value of expected future cash flows

Items	Carrying amount	Recoverable amount	Impairment amount	The number of years of the forecast period	Key parameters of the forecast period	Key parameters of the stable period	Basis for determining key parameters of the stable period
Gansu Jiuquan Dunhuang 100MW Grid-Parity PV Power Generation Project	243,768,571.23	218,090,000.00	25,678,571.23	Remaining power generation life	Discount rate of 7.17%, future annual cash flow of the power station	/	/
Total	243,768,571.23	218,090,000.00	25,678,571.23	–	–	–	–

Note: In 2025, the Company's project — the 100 MW grid-parity PV power generation project in Dunhuang, Jiuquan City, Gansu Province — suffered losses due to factors such as a decline in electricity prices and a relatively high rate of power limitation. There were signs of impairment of the corresponding power station assets, therefore the project company, a subsidiary of the Company, conducted an impairment test on the project-related assets and made a provision for impairment of the asset in the amount that the carrying amount of the power station assets was lower than the recoverable amount, which was RMB25,678,571.23.

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

15. Construction in progress

Items	Closing balance	Opening balance
Construction in progress	**5,601,866,040.33**	5,016,699,950.59
Project materials	**0.00**	107,757,604.52
Total	**5,601,866,040.33**	5,124,457,555.11

15.1 Construction in progress

(1) Breakdown of construction in progress

Items	Closing balance Book balance	Closing balance Provision for impairment	Closing balance Carrying amount	Opening balance Book balance	Opening balance Provision for impairment	Opening balance Carrying amount
Xinte Energy Zhundong Green Low-Carbon Polysilicon Industrial Park 2GW New Energy Wind Power Construction Project	**2,280,908,120.91**	**0.00**	**2,280,908,120.91**	26,681,176.81	0.00	26,681,176.81
Xinte Energy Zhundong Green Low-Carbon Polysilicon Industrial Park 1GW PV and Supporting Energy Storage Project	**1,109,170,678.30**	**0.00**	**1,109,170,678.30**	636,194,277.06	0.00	636,194,277.06
Pingshan Lake Million Kilowatt Wind Power Base, Ganzhou District, Zhangye City, Gansu Province, 200,000 Kilowatt Wind Power Project	**651,099,943.32**	**0.00**	**651,099,943.32**	566,986,642.12	0.00	566,986,642.12
Hunan Yongzhou Ningyuan Wulong Mountain 85MW Wind Power Project	**282,146,936.06**	**0.00**	**282,146,936.06**	19,116,090.32	0.00	19,116,090.32
Wuqing Baigutun 48MW Centralized Wind Power Project	**124,317,289.60**	**0.00**	**124,317,289.60**	74,734,981.97	0.00	74,734,981.97
TBEA Xuyi 1GW Project Supporting Industrial Park Project	**117,707,457.79**	**0.00**	**117,707,457.79**	2,290,553.09	0.00	2,290,553.09
TBEA Zhangjiakou Industrial Park Project	**78,452,643.73**	**0.00**	**78,452,643.73**	76,180,935.03	0.00	76,180,935.03

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

15. Construction in progress (Continued)

15.1 Construction in progress (Continued)

(1) Breakdown of construction in progress (Continued)

Items	Closing balance Book balance	Closing balance Provision for impairment	Closing balance Carrying amount	Opening balance Book balance	Opening balance Provision for impairment	Opening balance Carrying amount
TBEA Fuping New Energy Equipment Manufacturing Industrial Project	71,058,292.16	0.00	71,058,292.16	29,569,795.16	0.00	29,569,795.16
TBEA Xi'an Science and Technology Industrial Park Project	0.00	0.00	0.00	240,837,414.19	0.00	240,837,414.19
Anhui Suzhou Sixian 100MW Parity Wind Farm Project	0.00	0.00	0.00	606,082,618.81	0.00	606,082,618.81
Fengning Xinlong Yuershan 250MW Wind and PV and Hydrogen Storage Integration Project	0.00	0.00	0.00	338,975,471.39	0.00	338,975,471.39
Guangxi Nanning Xingning Kunlun Tanle 50MW Wind Power Project	0.00	0.00	0.00	234,881,144.86	0.00	234,881,144.86
Jiangxi Suichuan Jiaoziding Distributed Wind Power Project	0.00	0.00	0.00	249,815,375.59	0.00	249,815,375.59
Yongcheng Phase II 200MW Wind Power Project	0.00	0.00	0.00	241,321,994.46	0.00	241,321,994.46
Henan Yongcheng 100MW Parity Wind Farm Project	0.00	0.00	0.00	263,487,003.07	0.00	263,487,003.07
Chengde Shanggu 200MW Agriculture-PV Complement Energy Storage Comprehensive Demonstration Project	0.00	0.00	0.00	741,655,695.12	0.00	741,655,695.12
Hengshui Gucheng 200MW/400MWh Centralized (Shared) Energy Storage Project	0.00	0.00	0.00	242,322,033.93	0.00	242,322,033.93
Other projects	887,004,678.46	0.00	887,004,678.46	425,566,747.61	0.00	425,566,747.61
Total	5,601,866,040.33	0.00	5,601,866,040.33	5,016,699,950.59	0.00	5,016,699,950.59

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

15. Construction in progress (Continued)

15.1 Construction in progress (Continued)

(2) Changes of significant construction in progress in the current year

Project name	Opening balance	Increase in current year	Decrease in current year		Closing balance
			Transfer to fixed assets	Other decreases	
Xinte Energy Zhundong Green Low-Carbon Polysilicon Industrial Park 2GW New Energy Wind Power Construction Project	26,681,176.81	2,254,226,944.10	0.00	0.00	**2,280,908,120.91**
Xinte Energy Zhundong Green Low-Carbon Polysilicon Industrial Park 1GW PV and Supporting Energy Storage Project	636,194,277.06	472,976,401.24	0.00	0.00	**1,109,170,678.30**
Pingshan Lake Million Kilowatt Wind Power Base, Ganzhou District, Zhangye City, Gansu Province, 200,000 Kilowatt Wind Power Project	566,986,642.12	84,113,301.20	0.00	0.00	**651,099,943.32**
Hunan Yongzhou Ningyuan Wulong Mountain 85MW Wind Power Project	19,116,090.32	263,030,845.74	0.00	0.00	**282,146,936.06**
Wuqing Baigutun 48MW Centralized Wind Power Project	74,734,981.97	49,582,307.63	0.00	0.00	**124,317,289.60**
TBEA Xuyi 1GW Project Supporting Industrial Park Project	2,290,553.09	115,416,904.70	0.00	0.00	**117,707,457.79**
TBEA Zhangjiakou Industrial Park Project	76,180,935.03	2,271,708.70	0.00	0.00	**78,452,643.73**
TBEA Fuping New Energy Equipment Manufacturing Industrial Project	29,569,795.16	41,488,497.00	0.00	0.00	**71,058,292.16**
TBEA Xi'an Science and Technology Industrial Park Project	240,837,414.19	75,227,994.83	316,065,409.02	0.00	**0.00**
Anhui Suzhou Sixian 100MW Parity Wind Farm Project	606,082,618.81	134,968,341.35	741,050,960.16	0.00	**0.00**
Fengning Xinlong Yuershan 250MW Wind and PV and Hydrogen Storage Integration Project	338,975,471.39	462,071,464.90	0.00	801,046,936.29	**0.00**

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

15. Construction in progress (Continued)

15.1 Construction in progress (Continued)

(2) Changes of significant construction in progress in the current year (Continued)

Project name	Opening balance	Increase in current year	Decrease in current year: Transfer to fixed assets	Decrease in current year: Other decreases	Closing balance
Guangxi Nanning Xingning Kunlun Tanle 50MW Wind Power Project	234,881,144.86	38,813,784.83	273,694,929.69	0.00	0.00
Jiangxi Suichuan Jiaoziding Distributed Wind Power Project	249,815,375.59	22,037,076.80	271,852,452.39	0.00	0.00
Yongcheng Phase II 200MW Wind Power Project	241,321,994.46	288,323,749.48	529,645,743.94	0.00	0.00
Henan Yongcheng 100MW Parity Wind Farm Project	263,487,003.07	247,696,126.62	511,183,129.69	0.00	0.00
Chengde Shanggu 200MW Agriculture-PV Complement Energy Storage Comprehensive Demonstration Project	741,655,695.12	122,538,005.81	864,193,700.93	0.00	0.00
Hengshui Gucheng 200MW/400MWh Centralized (Shared) Energy Storage Project	242,322,033.93	28,349,077.40	270,671,111.33	0.00	0.00
Other projects	425,566,747.61	559,461,604.64	95,986,655.89	2,037,017.90	887,004,678.46
Total	5,016,699,950.59	5,262,594,136.97	3,874,344,093.04	803,083,954.19	5,601,866,040.33

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

15. Construction in progress (Continued)

15.1 Construction in progress (Continued)

(2) Changes of significant construction in progress in the current year (Continued)

Project name	Budget	Percentage of cumulative project investment to budget (%)	Progress of project (%)	Cumulative interest capitalization	Including: Interest capitalization in current year	Interest capitalization rate of current year (%)	Source of fund
Xinte Energy Zhundong Green Low-Carbon Polysilicon Industrial Park 2GW New Energy Wind Power Construction Project	6,655,615,200.00	34.27	34.27	18,775,165.41	18,775,165.41	2.05	Funds in hand, project loans
Xinte Energy Zhundong Green Low-Carbon Polysilicon Industrial Park 1GW PV and Supporting Energy Storage Project	3,495,362,500.00	31.73	31.73	10,776,565.58	10,776,565.58	2.38	Funds in hand, project loans
Pingshan Lake Million Kilowatt Wind Power Base, Ganzhou District, Zhangye City, Gansu Province, 200,000 Kilowatt Wind Power Project	764,605,409.32	85.16	86.45	14,760,105.19	636,572.53	2.28	Funds in hand, project loans
Hunan Yongzhou Ningyuan Wulong Mountain 85MW Wind Power Project	396,435,080.82	71.17	62.48	3,530,037.96	3,530,037.96	3.40	Funds in hand, project loans
Wuqing Baigutun 48MW Centralized Wind Power Project	239,288,662.15	51.95	60.86	890,347.23	371,527.78	2.27	Funds in hand, project loans
TBEA Xuyi 1GW Project Supporting Industrial Park Project	223,846,404.25	52.58	52.58	0.00	0.00	0.00	Funds in hand
TBEA Zhangjiakou Industrial Park Project	136,683,212.37	57.40	57.40	0.00	0.00	0.00	Funds in hand
TBEA Fuping New Energy Equipment Manufacturing Industrial Project	154,341,131.34	46.04	46.04	0.00	0.00	0.00	Funds in hand

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

15. Construction in progress (Continued)

15.1 Construction in progress (Continued)

(2) Changes of significant construction in progress in the current year (Continued)

Project name	Budget	Percentage of cumulative project investment to budget (%)	Progress of project (%)	Cumulative interest capitalization	Including: Interest capitalization in current year	Interest capitalization rate of current year (%)	Source of fund
TBEA Xi'an Science and Technology Industrial Park Project	609,518,088.00	51.85	51.85	408,222.22	408,222.22	2.75	Funds in hand, project loans
Anhui Suzhou Sixian 100MW Parity Wind Farm Project	743,299,739.91	99.70	100.00	11,644,351.14	7,859,153.92	2.53	Funds in hand, project loans
Guangxi Nanning Xingning Kunlun Tanle 50MW Wind Power Project	270,197,344.42	101.29	100.00	4,607,355.72	1,658,252.03	2.31	Funds in hand, project loans
Jiangxi Suichuan Jiaoziding Distributed Wind Power Project	281,679,814.11	96.51	100.00	4,151,422.22	886,666.67	1.90	Funds in hand, project loans
Yongcheng Phase II 200MW Wind Power Project	566,103,422.32	93.56	100.00	3,132,462.49	3,132,462.49	2.47	Funds in hand, project loans
Henan Yongcheng 100MW Parity Wind Farm Project	544,741,405.27	93.84	100.00	2,012,269.43	2,012,269.43	2.50	Funds in hand, project loans
Chengde Shanggu 200MW Agriculture-PV Complement Energy Storage Comprehensive Demonstration Project	883,872,960.70	97.77	100.00	16,547,392.66	12,918,867.66	2.67	Funds in hand, project loans
Hengshui Gucheng 200MW/400MWh Centralized (Shared) Energy Storage Project	295,918,679.17	91.47	100.00	1,920,013.34	1,920,013.34	2.42	Funds in hand, project loans
Other projects	–	–	–	–	–	–	Funds in hand
Total	16,261,509,054.15	–	–	93,155,710.59	64,885,777.02	–	–

Note: The "Other decreases" in the table was mainly due to the Company's disposal of its project company, Fengning Manchu Autonomous County Xinlong Wind Power Co., Ltd. (豐寧滿族自治縣新隆風力發電有限公司).

(3) Provision for impairment of construction in progress in the current year

Nil.

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

15. Construction in progress (Continued)

15.2 Project materials

Items	Book balance	Opening balance Provision for impairment	Carrying amount
Special materials	107,757,604.52	0.00	107,757,604.52
Total	107,757,604.52	0.00	107,757,604.52

16. Right-of-use assets

Items	Land use right	Machinery and equipment	Others	Total
I. Original carrying amount				
1. Opening balance	378,755,167.40	3,980,880.89	5,382,256.15	388,118,304.44
2. Increase in current year	111,382,531.66	0.00	5,508,355.59	116,890,887.25
(1) Lease	104,455,830.78	0.00	5,508,355.59	109,964,186.37
(2) Others	6,926,700.88	0.00	0.00	6,926,700.88
3. Decrease in current year	78,901,126.62	0.00	5,382,256.15	84,283,382.77
(1) Decrease in business merger	61,956,968.97	0.00	0.00	61,956,968.97
(2) Lease termination	16,944,157.65	0.00	5,260,514.64	22,204,672.29
(3) Translation of financial statements in foreign currency	0.00	0.00	121,741.51	121,741.51
4. Closing balance	411,236,572.44	3,980,880.89	5,508,355.59	420,725,808.92

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

16. Right-of-use assets (Continued)

Items	Land use right	Machinery and equipment	Others	Total
II. Accumulated depreciation				
1. Opening balance	58,144,154.43	165,727.62	3,574,188.87	61,884,070.92
2. Increase in current year	31,664,021.37	198,189.77	986,343.84	32,848,554.98
(1) Accrual	29,904,676.15	198,189.77	986,343.84	31,089,209.76
(2) Others	1,759,345.22	0.00	0.00	1,759,345.22
3. Decrease in current year	8,149,695.12	0.00	4,187,915.55	12,337,610.67
(1) Decrease in business merger	5,574,439.25	0.00	0.00	5,574,439.25
(2) Lease termination	2,575,255.87	0.00	4,173,712.37	6,748,968.24
(3) Translation of financial statements in foreign currency	0.00	0.00	14,203.18	14,203.18
4. Closing balance	81,658,480.68	363,917.39	372,617.16	82,395,015.23
III. Provision for impairment				
1. Opening balance	16,422,041.80	0.00	0.00	16,422,041.80
2. Increase in current year	0.00	0.00	0.00	0.00
(1) Accrual	0.00	0.00	0.00	0.00
3. Decrease in current year	0.00	0.00	0.00	0.00
4. Closing balance	16,422,041.80	0.00	0.00	16,422,041.80
IV. Carrying amount				
1. Carrying amount at the end of the year	313,156,049.96	3,616,963.50	5,135,738.43	321,908,751.89
2. Carrying amount at the beginning of the year	304,188,971.17	3,815,153.27	1,808,067.28	309,812,191.72

Note 1: The "Others" in the table was mainly due to the Company's clarification of the intention of holding the 30MWp PV project in Heqing County, Yunnan of Heqing Huineng Power Generation Co., Ltd. (鶴慶匯能發電有限責任公司), a project company of the Company, as self-holding, and adjusting it from inventory to right-of-use assets.

Note 2: The "Decrease in business merger" in the table was mainly due to the Company's disposal of its project companies including Fengning Manchu Autonomous County Xinlong Wind Power Co., Ltd. (豐寧滿族自治縣新隆風力發電有限公司) and Wuyang County Xinyang New Energy Co., Ltd. (舞陽縣新陽新能源有限公司).

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

17. Intangible assets

(1) Breakdown of intangible assets

Items	Land use rights	Proprietary technology	Software	Mining rights	Total
I. Original carrying amount					
1. Opening balance	1,605,502,415.68	173,338,242.54	201,523,647.87	17,754,108.38	1,998,118,414.47
2. Increase in current year	154,304,774.58	0.00	26,533,519.14	2,471,700.00	183,309,993.72
(1) Acquisition	137,317,295.63	0.00	24,496,501.23	2,471,700.00	164,285,496.86
(2) Transfer from construction in progress	0.00	0.00	2,037,017.91	0.00	2,037,017.91
(3) Other increases	16,987,478.95	0.00	0.00	0.00	16,987,478.95
3. Decrease in current year	74,382,930.88	0.00	1,543,162.88	0.00	75,926,093.76
(1) Disposal	0.00	0.00	1,543,162.88	0.00	1,543,162.88
(2) Decrease in the scope of consolidation	74,382,930.88	0.00	0.00	0.00	74,382,930.88
4. Closing balance	1,685,424,259.38	173,338,242.54	226,514,004.13	20,225,808.38	2,105,502,314.43
II. Accumulated depreciation					
1. Opening balance	261,551,857.89	142,980,120.85	96,158,263.53	17,754,108.38	518,444,350.65
2. Increase in current year	48,400,908.29	5,590,657.63	20,727,590.83	1,007,217.75	75,726,374.50
(1) Accrual	43,802,463.02	5,590,657.63	20,727,590.83	1,007,217.75	71,127,929.23
(2) Other increases	4,598,445.27	0.00	0.00	0.00	4,598,445.27
3. Decrease in current year	2,640,336.87	0.00	775,061.18	0.00	3,415,398.05
(1) Disposal	0.00	0.00	775,061.18	0.00	775,061.18
(2) Decrease in the scope of consolidation	2,640,336.87	0.00	0.00	0.00	2,640,336.87
4. Closing balance	307,312,429.31	148,570,778.48	116,110,793.18	18,761,326.13	590,755,327.10

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

17. Intangible assets (Continued)

(1) Breakdown of intangible assets (Continued)

Items	Land use rights	Proprietary technology	Software	Mining rights	Total
III. Provision for impairment					
1. Opening balance	15,711,654.87	7,879,223.01	3,725,291.00	0.00	27,316,168.88
2. Increase in current year	0.00	0.00	0.00	0.00	0.00
(1) Accrual	0.00	0.00	0.00	0.00	0.00
3. Decrease in current year	0.00	0.00	0.00	0.00	0.00
(1) Disposal	0.00	0.00	0.00	0.00	0.00
4. Closing balance	15,711,654.87	7,879,223.01	3,725,291.00	0.00	27,316,168.88
IV. Carrying amount					
1. Carrying amount at the end of the year	1,362,400,175.20	16,888,241.05	106,677,919.95	1,464,482.25	1,487,430,818.45
2. Carrying amount at the beginning of the year	1,328,238,902.92	22,478,898.68	101,640,093.34	0.00	1,452,357,894.94

Note 1: The "Other increases" in the table was mainly due to the increase in the scope of consolidation.

Note 2: The "Decrease in the scope of consolidation" in the table was mainly due to the Company's disposal of its project companies including Fengning Manchu Autonomous County Xinlong Wind Power Co., Ltd. (豐寧滿族自治縣新隆風力發電有限公司), Wuyang County Xinyang New Energy Co., Ltd. (舞陽縣新陽新能源有限公司) and Hengshui Shengte New Energy Technology Co., Ltd. (衡水市晟特新能源科技有限公司).

(2) Land use rights without certificate of title

Items	Carrying amount	Reason for not having the certificate of title
Land use right	70,694,308.50	Long processing cycle

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

18. Long-term deferred expenses

Items	Opening balance	Increase in current year	Amortization in current year	Other decreases in current year	Closing balance
Long-term right of delivery	32,900,747.35	7,587,400.00	40,488,147.35	0.00	0.00
Total	32,900,747.35	7,587,400.00	40,488,147.35	0.00	0.00

19. Deferred income tax assets and deferred income tax liabilities

(1) Deferred income tax assets not offset

Items	Closing balance	
	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	2,308,753,980.03	366,519,769.51
Deferred income	217,783,818.53	32,515,001.26
Provision for retention money	151,452,988.88	25,321,371.26
Provision for other expenses	34,165,448.08	5,203,730.97
Unrealized profits of intra-group transactions	2,368,645,765.52	355,296,864.83
Deductible losses	3,502,685,259.98	525,402,789.00
Others	127,678,538.63	15,707,567.39
Total	8,711,165,799.65	1,325,967,094.22

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

19. Deferred income tax assets and deferred income tax liabilities (Continued)

(1) Deferred income tax assets not offset (Continued)

Items	Opening balance Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	2,535,113,467.72	377,614,184.77
Deferred income	158,814,432.32	24,003,990.88
Provision for retention money	213,929,764.00	32,089,464.60
Provision for other expenses	34,422,263.79	5,107,493.20
Unrealized profits of intra-group transactions	1,982,122,559.15	298,892,764.91
Deductible losses	3,807,158,859.89	571,073,828.99
Others	226,804,927.30	34,557,232.56
Total	8,958,366,274.17	1,343,338,959.91

(2) Deferred income tax liabilities not offset

Items	Closing balance Taxable temporary differences	Deferred income tax liabilities
Accelerated depreciation of fixed assets	**1,994,315,725.73**	**299,291,294.36**
Changes in fair value of cash flow hedging instruments included in other comprehensive income	**10,176,552.40**	**1,912,739.54**
Others	**3,616,963.50**	**542,544.53**
Total	**2,008,109,241.63**	**301,746,578.43**

Items	Opening balance Taxable temporary differences	Deferred income tax liabilities
Accelerated depreciation of fixed assets	2,551,504,388.83	460,397,095.32
Others	3,815,153.27	572,272.99
Total	2,555,319,542.10	460,969,368.31

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

19. Deferred income tax assets and deferred income tax liabilities (Continued)

(3) Breakdown of unrecognized deferred income tax assets

Items	Closing balance	Opening balance
Deductible temporary differences	**3,950,113,972.87**	2,544,576,629.15
Deductible losses	**4,648,525,857.29**	1,623,733,241.64
Total	**8,598,639,830.16**	4,168,309,870.79

(4) Deductible losses under unrecognized deferred income tax assets with maturity in the years indicated below

Year	Closing balance	Opening balance
2025	**0.00**	48,390,259.38
2026	**116,260,957.28**	168,651,153.57
2027	**132,820,583.25**	448,540,400.50
2028	**422,409,332.43**	410,969,700.22
2029	**472,430,204.72**	547,181,727.97
2030 and beyond	**3,504,604,779.61**	0.00
Total	**4,648,525,857.29**	1,623,733,241.64

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

20. Other non-current assets

Items	Book balance	Closing balance Provision for impairment	Carrying amount
Prepayments for long-term assets	**907,233,578.32**	**0.00**	**907,233,578.32**
Amount of value-added tax credits that are expected to be deducted for more than one year	**1,416,513,122.97**	**0.00**	**1,416,513,122.97**
Capacity deposit	**452,704,043.20**	**0.00**	**452,704,043.20**
Large certificates of deposit for more than one year	**102,035,416.69**	**0.00**	**102,035,416.69**
Contract acquisition cost	**20,756,141.29**		**20,756,141.29**
Total	**2,899,242,302.47**	**0.00**	**2,899,242,302.47**

Items	Book balance	Opening balance Provision for impairment	Carrying amount
Prepayments for long-term assets	783,987,525.24	0.00	783,987,525.24
Amount of value-added tax credits that are expected to be deducted for more than one year	1,363,467,842.41	0.00	1,363,467,842.41
Capacity deposit	429,931,943.20	0.00	429,931,943.20
Large certificates of deposit for more than one year	212,310,138.91	0.00	212,310,138.91
Total	2,789,697,449.76	0.00	2,789,697,449.76

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

21. Short-term borrowings

(1) Short-term borrowings by category

Category	Closing balance	Opening balance
Credit loans	**752,630,781.39**	30,021,083.33
Factoring loans	**0.00**	1,250,000.00
Notes discounted borrowing	**378,706,656.27**	579,154,009.87
Total	**1,131,337,437.66**	610,425,093.20

(2) Outstanding overdue short-term borrowings: Nil.

22. Financial liabilities held for trading

Items	Closing balance	Opening balance
Financial liabilities held for trading	**7,488,887.79**	47,711,848.71
Including: Derivative financial liabilities	**0.00**	41,863,972.71
Put option	**7,488,887.79**	5,847,876.00
Total	**7,488,887.79**	47,711,848.71

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

22. Financial liabilities held for trading (Continued)

Details of derivative financial liabilities are as follows:

Items	Closing balance	Opening balance
Derivative financial liabilities with designated hedging relationship	**0.00**	0.00
Including: Forward exchange contracts	**0.00**	0.00
Derivative financial liabilities without designated hedging relationship	**0.00**	41,863,972.71
Including: Forward exchange contracts	**0.00**	41,863,972.71
Total	**0.00**	41,863,972.71

23. Notes payable

Category	Closing balance	Opening balance
Bank acceptance notes	**4,673,835,965.80**	7,495,802,932.28
Trade acceptance notes	**224,423,844.25**	74,100,581.03
Total	**4,898,259,810.05**	7,569,903,513.31

Note: The aging of all the above notes payable at the end of the year of the Group was within 365 days.

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

24. Accounts payable

(1) List of accounts payable

Items	Closing balance	Opening balance
Within 1 year (inclusive)	**5,221,193,994.03**	6,133,133,993.84
1 year to 2 years (inclusive)	**1,634,133,026.83**	2,057,323,865.35
2 years to 3 years (inclusive)	**1,382,052,714.16**	1,729,331,811.20
Over 3 years	**1,895,578,342.54**	950,659,688.82
Total	**10,132,958,077.56**	10,870,449,359.21

(2) Significant accounts payable with aging of over 1 year or overdue

Name of entity	Closing balance	Reason for non-repayment or carry-forward
Sany Heavy Energy Equipment Co., Ltd. (三一重能股份有限公司)	**145,152,240.00**	Payments for material, not yet settled
Sinopec Chemical Construction Co., Ltd. (中石化工建設有限公司)	**125,151,466.24**	Payments for project, not yet settled
China Chemical Engineering No. 16 Construction Co., Ltd. (中國化學工程第十六建設有限公司)	**124,298,827.10**	Payments for project, not yet settled
Sinochem Second Construction Group Co., Ltd. (中化二建集團有限公司)	**121,134,162.64**	Payments for project, not yet settled
China Chemical Engineering No. 6 Construction Co., Ltd. (中國化學工程第六建設有限公司)	**117,628,418.81**	Payments for project, not yet settled
China National Chemical Engineering Third Construction Co., Ltd. (中國化學工程第三建設有限公司)	**102,075,528.97**	Payments for project, not yet settled
Total	**735,440,643.76**	—

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

25. Contract liabilities

(1) Breakdown of contract liabilities

Items	Closing balance	Opening balance
Sales revenue received in advance	**1,277,638,450.88**	1,344,808,117.32
Project payments received in advance	**295,560,560.94**	320,299,386.59
Settled but uncompleted payments	**643,798,526.91**	499,577,027.25
Total	**2,216,997,538.73**	2,164,684,531.16

Contract liabilities amounting to RMB1,567,010,300 included in the carrying amount as at 31 December 2024, were transferred to operating revenue in 2025 (the contract liabilities of RMB1,983,827,200 included in the carrying amount as at 31 December 2023, were transferred to operating revenue in 2024).

(2) Significant changes in carrying amount during the year

Nil.

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

26. Staff remuneration payables

(1) Staff remuneration payables by category

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
Short-term compensation	786,162,058.13	2,014,307,419.06	2,130,753,867.46	**669,715,609.73**
Post-employment benefits — defined contribution plans	6,689,563.89	207,159,645.98	206,065,213.56	**7,783,996.31**
Termination benefits	0.00	6,573,761.24	6,573,761.24	**0.00**
Total	792,851,622.02	2,228,040,826.28	2,343,392,842.26	**677,499,606.04**

(2) Short-term compensation

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
Salaries, bonuses, allowances and subsidies	706,983,358.95	1,680,087,260.17	1,804,375,921.15	**582,694,697.97**
Employee benefits	0.00	41,883,255.88	41,883,255.88	**0.00**
Social insurance	3,637,302.38	119,100,833.84	119,163,371.52	**3,574,764.70**
Including: Medical insurance	3,425,037.21	106,816,123.98	106,840,887.00	**3,400,274.19**
Work-related injury insurance	208,368.19	12,196,084.56	12,229,962.24	**174,490.51**
Maternity insurance	3,896.98	88,625.30	92,522.28	**0.00**
Housing provident funds	4,169,889.06	127,772,152.52	127,113,113.76	**4,828,927.82**
Labor union fees and employee education fees	71,371,507.74	45,463,916.65	38,218,205.15	**78,617,219.24**
Short-term paid leaves	0.00	0.00	0.00	**0.00**
Short-term profit distribution plans	0.00	0.00	0.00	**0.00**
Others	0.00	0.00	0.00	**0.00**
Total	786,162,058.13	2,014,307,419.06	2,130,753,867.46	**669,715,609.73**

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

26. Staff remuneration payables (Continued)

(3) Defined contribution plans

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
Basic pension	6,426,208.55	200,215,310.71	199,165,751.80	**7,475,767.46**
Unemployment insurance	263,355.34	6,944,335.27	6,899,461.76	**308,228.85**
Enterprise annuity	0.00	0.00	0.00	**0.00**
Total	6,689,563.89	207,159,645.98	206,065,213.56	**7,783,996.31**

27. Taxes payable

Items	Closing balance	Opening balance
Enterprise income tax	**89,328,096.18**	246,536,650.73
Value-added tax	**76,016,436.32**	145,149,509.03
Individual income tax	**9,929,456.91**	14,507,706.23
Urban maintenance and construction tax	**2,603,195.32**	7,236,789.01
Stamp duty	**10,998,659.13**	5,554,309.62
Real estate tax	**2,261,945.26**	1,411,056.17
Educational surcharge	**1,112,779.36**	3,129,483.73
Local educational surcharge	**742,740.57**	2,215,422.29
Land use tax	**1,723,703.60**	1,216,017.48
Others	**748,381.25**	2,081,965.93
Total	**195,465,393.90**	429,038,910.22

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

28. Other payables

Items	Closing balance	Opening balance
Interests payable	**0.00**	0.00
Dividends payable	**0.00**	0.00
Other payables	**774,570,080.30**	440,617,877.53
Total	**774,570,080.30**	440,617,877.53

28.1 Interests payable

Nil.

28.2 Dividends payable

Nil.

28.3 Other payables

(1) Other payables by nature

Nature	Closing balance	Opening balance
Margin and deposits payable	**88,502,504.82**	127,291,662.63
Temporary receipts payable	**85,142,032.49**	114,249,935.89
Fees payable	**394,324,926.16**	105,236,696.53
Due to related parties	**201,220,851.09**	84,127,484.14
Other payables	**5,379,765.74**	9,712,098.34
Total	**774,570,080.30**	440,617,877.53

(2) Significant other payables with aging of over 1 year or overdue: Nil.

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

29. Non-current liabilities due within one year

Items	Closing balance	Opening balance
Long-term borrowings due within one year	**2,472,588,373.18**	2,498,765,192.71
Lease liabilities due within one year	**30,212,533.37**	8,451,038.64
Total	**2,502,800,906.55**	2,507,216,231.35

30. Other current liabilities

Items	Closing balance	Opening balance
Sales tax to be carried forward	**259,126,409.82**	227,407,355.26
Notes receivable not derecognized	**87,360,401.13**	31,185,603.50
Total	**346,486,810.95**	258,592,958.76

31. Long-term borrowings

(1) Long-term borrowings by category

Category	Closing balance	Opening balance
Pledged borrowings	**3,202,776,766.14**	3,718,410,430.11
Mortgage loans	**2,566,406,566.00**	3,200,150,000.00
Secured borrowings	**0.00**	286,000,000.00
Credit loans	**8,867,240,795.26**	4,394,368,799.09
Mortgage and pledged loans	**5,757,417,500.55**	7,474,039,725.71
Total	**20,393,841,627.95**	19,072,968,954.91

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

31. Long-term borrowings (Continued)

(1) Long-term borrowings by category (Continued)

Interest rates of long-term borrowings

Category	Interest rates (%)
Pledged borrowings	1.80-3.25
Mortgage loans	2.65-3.80
Credit loans	2.06-3.60
Mortgage and pledged loans	1.80-4.00

(2) The maturity analysis of long-term borrowings

Category	Closing balance	Opening balance
Credit loans	**8,867,240,795.26**	4,394,368,799.09
Pledged borrowings	**3,202,776,766.14**	3,718,410,430.11
Mortgage loans	**2,566,406,566.00**	3,200,150,000.00
Secured borrowings	**0.00**	286,000,000.00
Mortgage and pledged loans	**5,757,417,500.55**	7,474,039,725.71
Total	**20,393,841,627.95**	19,072,968,954.91
The carrying amount of the above borrowings shall be repaid:	**—**	—
Within 1 year	**2,472,588,373.18**	2,498,765,192.71
Over 1 year but less than 2 years after the balance sheet date	**3,079,385,286.14**	3,387,549,367.71
Over 2 years but less than 5 years after the balance sheet date	**7,882,234,325.62**	7,813,835,581.02
Over 5 years after the balance sheet date	**9,432,222,016.19**	7,871,584,006.18
Less: Amount due within one year, as shown under current liabilities	**2,472,588,373.18**	2,498,765,192.71
Amount shown under non-current liabilities	**20,393,841,627.95**	19,072,968,954.91

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

32. Lease liabilities

(1) Lease liabilities by nature

Items	Closing balance	Opening balance
Lease payments	**626,186,576.82**	422,233,008.05
Unrecognized financing cost	**-215,717,521.14**	-158,389,347.19
Reclassification to non-current liabilities due within one year	**-30,212,533.37**	-8,451,038.64
Total	**380,256,522.31**	255,392,622.22

(2) The maturity analysis of lease liabilities

Category	Closing balance	Opening balance
Lease payments	**626,186,576.82**	422,233,008.05
Total	**626,186,576.82**	422,233,008.05
The carrying amount of the above lease liabilities shall be repaid:	**—**	—
Within 1 year	**30,212,533.37**	8,451,038.64
Over 1 year but less than 2 years after the balance sheet date	**39,244,727.59**	16,439,634.97
Over 2 years but less than 5 years after the balance sheet date	**106,555,356.59**	101,252,500.63
Over 5 years after the balance sheet date	**450,173,959.27**	296,089,833.81
Less: Lease liabilities due within one year, as shown under current liabilities	**30,212,533.37**	8,451,038.64
Lease liabilities shown under non-current liabilities	**595,974,043.45**	413,781,969.41

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

33. Accrued liabilities

Items	Closing balance	Opening balance
Product quality assurance	**469,697,592.70**	220,451,714.47
Expected refund of tariff subsidy	**32,043,599.72**	32,043,599.72
Pending lawsuits	**6,033,988.79**	7,035,168.08
Onerous contract to be performed	**5,283,066.16**	1,156,517.27
Total	**513,058,247.37**	260,686,999.54

34. Deferred income

(1) Deferred income by category

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance	Reasons
Government grants	458,024,322.63	172,934,471.52	72,347,446.15	**558,611,348.00**	Government grants received
Internal unrealized gains and losses in downstream transactions	103,466,906.64	0.00	103,466,906.64	**0.00**	Internal unrealized gains and losses in downstream transactions
Total	561,491,229.27	172,934,471.52	175,814,352.79	**558,611,348.00**	–

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

34. Deferred income (Continued)

(2) Items of government grants

Liability items	Opening balance	New grants in current year	Amount included in other income in current year	Other changes	Closing balance	Related to assets/Related to income
Development of 200,000-ton per annum High-Purity Polysilicon, Supporting 200,000-ton Industrial-grade Silicon and New Energy Power Plant	86,866,964.36	0.00	7,332,142.80	0.00	**79,534,821.56**	Related to assets
High-Efficiency Integrated PV and Storage System for Intelligent PV	100,000.00	33,200,000.00	0.00	0.00	**33,300,000.00**	Related to assets
Project Funds for Key Technology Research and Development and Industrial Chain Integration Services for the PV Material Industry	18,410,000.00	12,270,000.00	0.00	0.00	**30,680,000.00**	Related to assets
2018 Industrial Transformation and Upgrading Fund-Intranet Upgrading and Integrated Application of High-purity Silicon-based New Materials Based on the Industrial Internet Platform	33,928,571.43	0.00	3,571,428.57	0.00	**30,357,142.86**	Related to assets
Subsidies for Urban Affordable Housing Projects	0.00	28,957,251.52	488,118.84	0.00	**28,469,132.68**	Related to assets
TB-eCloud Smart Power Energy Management Integrated Service Platform Construction Project	0.00	22,800,000.00	0.00	0.00	**22,800,000.00**	Related to assets
Financial Allocation from the Industrial Innovation Research Institute of the Autonomous Region	15,481,471.69	0.00	0.00	0.00	**15,481,471.69**	Related to assets
Upgrading of Cold Hydrogenation Technology for 360,000-ton-perannum Recycling of Polysilicon Byproduct Silicon Oxide	21,428,571.43	0.00	7,142,857.14	0.00	**14,285,714.29**	Related to assets

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

34. Deferred income (Continued)

(2) Items of government grants (Continued)

Liability items	Opening balance	New grants in current year	Amount included in other income in current year	Other changes	Closing balance	Related to assets/Related to income
Urumqi Ganquanpu Economic and Technological Development Zone Agent Branch (Construction of Enterprise Network-based Upgrading Promotion Platform for the Silicon-based Materials Industry)	13,789,702.39	0.00	1,207,857.14	0.00	**12,581,845.25**	Related to assets
Construction of Public Service Platform for New Materials Testing and Evaluation	12,436,428.50	0.00	1,086,571.43	0.00	**11,349,857.07**	Related to assets
Funds for the Xinjiang Silicon-based New Materials Industrial Innovation Research Institute	0.00	10,000,000.00	0.00	0.00	**10,000,000.00**	Related to assets
First Batch of Central Infrastructure Investment in 2024 for the Special Project of Energy Conservation and Carbon Reduction of the Ecology Bureau	9,000,000.00	0.00	0.00	0.00	**9,000,000.00**	Related to assets
Receipt of the Second Installment of Funds for the Energy-Saving Renovation Project for Waste Heat and Pressure Utilization and Energy Cascade Utilization of the 100,000-ton/year Polysilicon Production System from the Finance Bureau of Urumqi Ganquanpu Economic and Technological Development Zone (Industrial Zone)	0.00	9,000,000.00	0.00	0.00	**9,000,000.00**	Related to assets

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

34. Deferred income (Continued)

(2) Items of government grants (Continued)

Liability items	Opening balance	New grants in current year	Amount included in other income in current year	Other changes	Closing balance	Related to assets/Related to income
Receipt of policy funds for the project of "Research and Application of Intelligent Technology for Manufacturing of Silicon-based New Materials"	2,383,500.00	6,378,000.00	0.00	0.00	**8,761,500.00**	Related to assets
Subsidies for the Demonstration Project of Electronic-grade High-purity Polysilicon Technology Upgrading	10,392,857.12	0.00	2,078,571.43	0.00	**8,314,285.69**	Related to assets
HCC – Receipt of funds for the Polysilicon Cold Hydrogenation Synthesis Gas Heat Recovery and Slurry Process Energy – saving Optimization Project from the Urumqi Ganquanpu Economic and Technological Development Zone Agent Branch	8,562,500.00	0.00	750,000.00	0.00	**7,812,500.00**	Related to assets
2018 Ecological Civilization Construction Projects Funded by Central Government's Budgets – 10,000-ton Polysilicon CDI System Energy Efficiency Improvement	8,258,928.58	0.00	892,857.14	0.00	**7,366,071.44**	Related to assets
Funds for Construction of TB-eCloud Industrial Internet Platform	8,850,220.96	0.00	1,669,934.01	0.00	**7,180,286.95**	Related to assets
Sector for 2019 Received by Urumqi Ganquanpu Economic and Technological Development Zone Agent Branch	7,714,285.68	0.00	964,285.71	0.00	**6,749,999.97**	Related to assets
Green Manufacturing System Integration Project in 2016	7,633,928.58	0.00	964,285.71	0.00	**6,669,642.87**	Related to assets
New Support Funds for 1,500-ton-perannum Polysilicon Expansion	8,213,333.32	0.00	1,555,555.56	0.00	**6,657,777.76**	Related to assets

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

34. Deferred income (Continued)

(2) Items of government grants (Continued)

Liability items	Opening balance	New grants in current year	Amount included in other income in current year	Other changes	Closing balance	Related to assets/Related to income
Provincial Rewards and Subsidies for Scientific Research and Innovation Platforms in the Industrial and digitalization fields	4,000,000.00	2,000,000.00	0.00	0.00	**6,000,000.00**	Related to assets
TL-Transactions with Urumqi Ganquanpu Economic and Technological Development Zone Agent Branch (High-purity Polysilicon Intelligent Manufacturing Innovation Mode Application Project)	6,565,934.08	0.00	714,285.71	0.00	**5,851,648.37**	Related to assets
Key Projects for Resource Conservation and Recycling in 2017	6,107,142.87	0.00	642,857.14	0.00	**5,464,285.73**	Related to assets
2016 Provincial Industrial Transformation and Upgrading Special Fund Project and High-end Equipment Manufacturing Special Fund Project	5,916,666.51	0.00	500,000.04	0.00	**5,416,666.47**	Related to assets
Others	161,983,315.13	48,329,220.00	22,335,547.64	18,450,290.14	**169,526,697.35**	–
Total	458,024,322.63	172,934,471.52	53,897,156.01	18,450,290.14	**558,611,348.00**	–

35. Other non-current liabilities

Items	Closing balance	Opening balance
Contract liabilities (non-current portion)	**43,533,218.47**	83,859,832.43
Total	**43,533,218.47**	83,859,832.43

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

36. Share capital

Items	Opening balance	Changes in current year (+, -) Issue of new shares	Bonus issue	Share capital converted from reserves	Others	Sub-total	Closing balance
TBEA Co., Ltd	921,286,161.00	0.00	0.00	0.00	29,940,000.00	29,940,000.00	951,226,161.00
Xinjiang Tebian (Group) Co., Ltd.	83,863,108.00	0.00	0.00	0.00	0.00	0.00	83,863,108.00
Xinjiang Far Excellence Enterprise Management Consulting Co., Ltd.	2,896,800.00	0.00	0.00	0.00	300,000.00	300,000.00	3,196,800.00
Liu Bingcheng	774,732.00	0.00	0.00	0.00	-300,000.00	-300,000.00	474,732.00
Jia Boyun	448,560.00	0.00	0.00	0.00	0.00	0.00	448,560.00
Jinglong Technology Holdings Limited	14,619,883.00	0.00	0.00	0.00	0.00	0.00	14,619,883.00
TBEA (HONGKONG) CO., LIMITED	1,223,200.00	0.00	0.00	0.00	0.00	0.00	1,223,200.00
Public shares	374,947,556.00	0.00	0.00	0.00	0.00	0.00	374,947,556.00
Employee share ownership platform	29,940,000.00	0.00	0.00	0.00	-29,940,000.00	-29,940,000.00	0.00
Total shares	1,430,000,000.00	0.00	0.00	0.00	0.00	0.00	1,430,000,000.00

Note: Other changes during the year were due to the termination of the 2022 Employee Share Ownership Scheme of the Company which was considered and approved by a Board meeting convened by the Company on 20 April 2025, and the acquisition by TBEA, the Controlling Shareholder of the Company, of 29,940,000 Domestic Shares held by the employee share ownership platform; the transfer of 300,000 Domestic Shares to Xinjiang Far Excellence Enterprise Management Consulting Co., Ltd. in December 2025 by Liu Bingcheng, a shareholder, due to personal financial needs.

37. Capital reserve

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
Share premium	8,977,115,534.25	0.00	0.00	8,977,115,534.25
Other capital reserve	856,833,685.91	3,456,042.49	182,086,870.13	678,202,858.27
Total	9,833,949,220.16	3,456,042.49	182,086,870.13	9,655,318,392.52

Note: The increase in capital reserve—other capital reserve is attributable to the special reserves accrued by the investee accounted for using the equity method. The decrease in other capital reserve for the year is mainly due to the acquisition of equity interests in project companies during the year.

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

38. Other comprehensive income

Items	Opening balance	Amount before tax in current year	Amount recognized in current year: Less: Amount previously included in other comprehensive income and transferred to profit or loss for the period	Amount recognized in current year: Less: Amount previously included in other comprehensive income and transferred to retained earnings for the period	Less: Income tax expenses	After-tax amount attributable to the parent company	After-tax amount attributable to non-controlling interest	Closing balance
I. Other comprehensive income not reclassified to profit or loss	-133,408,841.50	8,972,107.60	0.00	0.00	0.00	8,972,107.60	0.00	-124,436,733.90
Including: Changes in fair value of investments in other equity instruments	-133,408,841.50	8,972,107.60	0.00	0.00	0.00	8,972,107.60	0.00	-124,436,733.90
II. Other comprehensive income to be reclassified to profit or loss	-1,928,441.52	29,874,151.35	0.00	0.00	6,600,056.28	21,774,631.18	1,499,463.89	19,846,189.66
Including: Reserve for cash flow hedging	0.00	36,457,234.98	0.00	0.00	6,600,056.28	27,839,037.34	2,018,141.36	27,839,037.34
Exchange differences on translation of financial statements in foreign currency	-1,928,441.52	-6,583,083.63	0.00	0.00	0.00	-6,064,406.16	-518,677.47	-7,992,847.68
Total other comprehensive income	-135,337,283.02	38,846,258.95	0.00	0.00	6,600,056.28	30,746,738.78	1,499,463.89	-104,590,544.24

39. Special reserve

Items	Closing balance	Opening balance
Safe production expenses	58,703,365.02	41,180,844.93
Total	58,703,365.02	41,180,844.93

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

40. Surplus reserve

Items	Opening balance	Increase in current year	Decrease in current year	Closing balance
Statutory surplus reserve	981,955,892.67	0.00	0.00	**981,955,892.67**
Total	981,955,892.67	0.00	0.00	**981,955,892.67**

41. Undistributed profit

Items	Current year	Previous year
Undistributed profit as at the end of last year before adjustment	**20,641,591,615.72**	24,546,471,052.21
Adjustment of total undistributed profit at the beginning of the year (increase +, decrease -)	**0.00**	0.00
Including: retrospective adjustment for the Accounting Standards for Business Enterprises and relevant new regulations	**0.00**	0.00
Change in accounting policies	**0.00**	0.00
Correction of significant prior period errors	**0.00**	0.00
Change in scope of consolidation under common control	**0.00**	0.00
Other adjustment factors	**0.00**	0.00
Undistributed profit at the beginning of the year after adjustment	**20,641,591,615.72**	24,546,471,052.21
Add: Net profit attributable to owners of the parent company for the year	**-1,205,476,164.13**	-3,904,879,436.49
Less: Appropriation to statutory surplus reserve	**0.00**	0.00
Appropriation to discretionary surplus reserve	**0.00**	0.00
Appropriation to general risk reserve	**0.00**	0.00
Payable dividends for ordinary shares	**0.00**	0.00
Dividends of ordinary shares transferred to share capita	**0.00**	0.00
Balance at the end of the year	**19,436,115,451.59**	20,641,591,615.72

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

42. Operating revenue, operating cost

(1) Information of operating revenue and operating cost

Items	Amount recognized in current year Revenue	Amount recognized in current year Cost	Amount recognized in previous year Revenue	Amount recognized in previous year Cost
Main businesses	**14,901,679,148.06**	**13,598,746,245.74**	20,743,307,787.58	19,501,437,125.18
Other businesses	**352,817,993.68**	**234,642,480.76**	469,672,168.21	350,185,991.48
Total	**15,254,497,141.74**	**13,833,388,726.50**	21,212,979,955.79	19,851,623,116.66

(2) By business segment

Items	Amount recognized in current year Revenue from main businesses	Amount recognized in current year Cost of main businesses
Polysilicon and related products	**2,924,557,601.01**	**4,324,876,195.69**
Construction of wind power and PV power plants	**5,914,940,791.69**	**4,736,985,897.76**
Operation of wind power and PV power plants	**2,682,821,452.79**	**1,299,619,598.14**
Electrical equipment	**3,330,206,137.51**	**3,190,617,279.87**
Others	**49,153,165.06**	**46,647,274.28**
Total	**14,901,679,148.06**	**13,598,746,245.74**

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

42. Operating revenue, operating cost (Continued)

(2) By business segment (Continued)

Items	Amount recognized in previous year Revenue from main businesses	 Cost of main businesses
Polysilicon and related products	7,750,014,012.64	10,133,176,178.55
Construction of wind power and PV power plants	7,457,204,252.63	5,744,845,575.93
Operation of wind power and PV power plants	2,349,702,746.44	1,110,949,639.36
Electrical equipment	3,052,968,924.63	2,407,713,127.40
Others	133,417,851.24	104,752,603.94
Total	20,743,307,787.58	19,501,437,125.18

(3) By geographical segment

Items	**Amount recognized in current year** **Revenue from main businesses**	 **Cost of main businesses**
Domestic	**12,128,043,611.67**	**11,236,235,824.54**
Overseas	**2,773,635,536.39**	**2,362,510,421.20**
Total	**14,901,679,148.06**	**13,598,746,245.74**

Items	Amount recognized in previous year Revenue from main businesses	 Cost of main businesses
Domestic	18,706,657,565.04	17,800,010,351.31
Overseas	2,036,650,222.54	1,701,426,773.87
Total	20,743,307,787.58	19,501,437,125.18

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

42. Operating revenue, operating cost (Continued)

(4) Classified by time of transfer of goods

Items	Amount recognized in current year Revenue from main businesses	 Cost of main businesses
Transfers at a point in time	**10,560,564,291.21**	**10,136,924,235.26**
Transfers over time	**4,341,114,856.85**	**3,461,822,010.48**
Total	**14,901,679,148.06**	**13,598,746,245.74**

Items	Amount recognized in previous year Revenue from main businesses	 Cost of main businesses
Transfers at a point in time	13,286,103,534.95	13,756,591,549.25
Transfers over time	7,457,204,252.63	5,744,845,575.93
Total	20,743,307,787.58	19,501,437,125.18

(5) Information relating to the performance obligations

The Company's principal business activities include the research, development, production and sale of high-purity polysilicon; the development, construction and operation of wind power and PV power plants; as well as the manufacturing and sale of electrical equipment such as inverters, SVG, energy storage, and FDC Converter Valves.

For transactions involving the sale of goods, the Company satisfies its performance obligation when the customer obtains control of the relevant goods. For the provision of engineering and construction services, if customers are able to obtain and consume the economic benefits brought by the Company's contractual performance when the Company performs the contracts, the Company recognises the completed performance obligation over the period of providing the services based on the progress towards complete satisfaction of that performance obligation, except when the performance progress cannot be reasonably determined.

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

43. Taxes and surcharges

Items	Amount recognized in current year	Amount recognized in previous year
Urban maintenance and construction tax	**34,548,014.30**	25,414,990.52
Real estate tax	**60,593,023.18**	55,973,423.59
Land use tax	**64,873,653.04**	41,370,844.71
Stamp duty	**31,213,188.00**	33,918,177.14
Educational surcharge	**15,318,130.24**	11,217,761.64
Local educational surcharge	**10,086,731.71**	7,624,449.33
Foundation for water works	**1,538,149.76**	1,570,960.89
Others	**7,679,157.13**	2,384,421.61
Total	**225,850,047.36**	179,475,029.43

44. Selling expenses

Items	Amount recognized in current year	Amount recognized in previous year
Employee compensation	**260,930,643.38**	288,425,412.34
Early project fees	**98,033,435.33**	105,303,965.17
Labour service fees	**79,682,832.90**	47,544,584.91
Business entertainment	**66,568,152.60**	68,360,852.52
Advisory fees	**66,425,299.47**	34,622,778.15
Travel expenses	**50,605,412.59**	42,220,929.86
Advertising and promotion fees	**28,057,504.55**	29,931,752.90
Tender fees	**15,006,797.75**	13,160,472.69
Lease payments	**14,331,338.47**	16,638,227.28
Office expenses	**5,362,812.13**	4,381,401.42
Share-based payments	**0.00**	15,437,634.60
Others	**13,814,385.34**	19,581,430.82
Total	**698,818,614.51**	685,609,442.66

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

45. Administrative expenses

Items	Amount recognized in current year	Amount recognized in previous year
Employee compensation	**442,741,844.06**	546,680,654.34
Depreciation and amortization cost	**154,942,649.10**	162,628,902.20
Labor service and greening fees	**74,970,829.03**	70,428,254.52
Advisory fees	**48,653,374.09**	86,677,101.43
Utilities	**37,397,331.24**	40,411,010.41
Maintenance fees	**23,156,057.00**	43,132,135.25
Travel expenses	**14,071,386.78**	17,768,696.02
Advertising and promotion fees	**12,686,416.89**	10,537,455.95
Office expenses	**12,079,404.37**	9,376,529.51
Lease payments	**11,548,290.72**	11,064,802.33
Business entertainment	**10,268,520.69**	14,529,024.39
Vehicle fees	**6,534,582.56**	11,095,681.46
Auditor's remuneration	**5,213,483.61**	6,541,329.33
-Audit service fees	**4,490,853.35**	6,220,958.45
-Tax service fees	**722,630.26**	320,370.88
-Other service fees	**0.00**	0.00
Training expense	**3,212,408.11**	10,324,287.12
Convention service expenses	**2,791,185.35**	2,644,577.41
Recruitment expenses	**2,234,970.52**	4,264,189.60
Share-based payments	**0.00**	59,508,653.28
Others	**19,179,472.61**	70,687,486.17
Total	**881,682,206.73**	1,178,300,770.72

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

46. R&D expenses

Items	Amount recognized in current year	Amount recognized in previous year
Direct inputs	**74,960,128.75**	43,664,706.78
Staff labor costs	**180,217,271.78**	219,344,442.33
Depreciation and amortization expenses	**26,671,290.96**	16,790,876.86
Other related costs	**87,167,085.44**	87,225,842.09
Total	**369,015,776.93**	367,025,868.06

47. Financial expenses

Items	Amount recognized in current year	Amount recognized in previous year
Interest expenses	**669,337,288.36**	711,250,981.25
Less: Interest income	**105,939,941.47**	145,390,956.03
Add: Exchange loss	**22,782,919.66**	9,976,408.02
Handling fees and others	**26,182,200.54**	25,794,747.14
Total	**612,362,467.09**	601,631,180.38

48. Other revenue

(1) Other revenue by category

Sources of other revenue	Amount recognized in current year	Amount recognized in previous year
Government grants	**121,359,818.21**	123,930,239.36
VAT credit and reduction	**854,200.97**	29,238,006.63
Refund of handling fees for withholding individual income tax	**2,497,879.03**	4,438,020.90
Total	**124,711,898.21**	157,606,266.89

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

48. Other revenue (Continued)

(2) Breakdown of government grants

Items	Amount recognized in current year	Amount recognized in previous year	Related to assets/income
Amortization of deferred income	53,897,156.01	51,370,123.02	Related to assets
Social insurance subsidies	15,635,135.81	14,699,189.97	Related to income
Instant refund of value-added tax	13,171,183.94	4,887,369.40	Related to income
Subsidies for high-skilled talent training bases at the national level	7,000,000.00	0.00	Related to income
Subsidies for stabilizing industrial growth	3,493,000.00	0.00	Related to income
"Tianchi Talent" introduction plan of Treasury Department of Finance Department of Xinjiang Uygur Autonomous Region	3,354,000.00	11,750,000.00	Related to income
Unemployment Insurance, subsidies for employment stabilization and expansion	3,276,744.13	3,605,581.84	Related to income
Tianshan Talent Subsidy	2,539,500.00	0.00	Related to income
First batch of 2025 science and technology innovation support fund subsidies for high-tech enterprises	2,450,000.00	0.00	Related to income
First batch of central foreign trade funds for 2025	2,321,700.00	0.00	Related to income
R&D expense rewards for high-tech enterprises above designated size	1,837,000.00	0.00	Related to income
Subsidy rewards for post-research and development expenses of high-tech enterprises	1,000,000.00	0.00	Related to income
High-tech enterprise special fund – R&D subsidy	1,000,000.00	0.00	Related to income
Science and Technology Innovation Funds of Ganquanpu Economic Development Zone	0.00	9,006,600.00	Related to income
Central financial subsidies for government-subsidized rental housing	0.00	5,800,000.00	Related to income
Xi'an third government grants to promote industrial stabilization and expansion policy incentives	0.00	3,330,000.00	Related to income
Special fund project for the central government to guide local science and technology development	0.00	2,000,000.00	Related to income
Talent Award of Organization Department of Tumed Right Banner Committee	0.00	2,073,500.00	Related to income
Xi'an municipal special fund for foreign economic and trade development	0.00	1,976,000.00	Related to income
Intellectual property project funds	0.00	1,140,000.00	Related to income
High-value patent transfer and conversion project funds	0.00	1,040,000.00	Related to income
First batch of key parks for talent attraction and nurturing plan	0.00	1,200,000.00	Related to income
Funding for the project of promoting innovative development of trade in services under the special funds for the development of foreign trade and economic cooperation	0.00	1,617,000.00	Related to income
Others	10,384,398.32	8,434,875.13	Related to income
Total	121,359,818.21	123,930,239.36	–

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

49. Investment income

Items	Amount recognized in current year	Amount recognized in previous year
Income of long-term equity investments under equity method	**527,591,268.09**	65,237,228.68
Investment income from disposal of long-term equity investments	**734,274,022.34**	700,623,482.93
Investment income from financial assets held for trading in the period of holding	**290,510.65**	486,070.46
Dividend income received in the period of holding other equity instrument investments	**4,685,157.00**	856,225.00
Gains from derecognition of financial assets measured at amortized cost	**-44,949,180.50**	-26,738,131.51
Investment income from financial wealth products in the period of holding	**15,527,711.15**	23,946,314.18
Investment income from financial and derivative instruments	**-153,774,434.40**	2,931,770.98
Total	**1,083,645,054.33**	767,342,960.72

50. Gain on changes in fair value

Sources of gain on changes in fair value	Amount recognized in current year	Amount recognized in previous year
Financial assets held for trading	**0.00**	0.00
Including: Derivative financial instruments	**0.00**	0.00
Financial liabilities held for trading	**0.00**	0.00
Derivative financial liabilities	**0.00**	-45,751,031.20
Total	**0.00**	-45,751,031.20

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

51. Impairment loss of credit

Items	Amount recognized in current year	Amount recognized in previous year
Loss on bad debts of notes receivable	**8,698,317.53**	-3,856,297.30
Loss on bad debts of accounts receivable	**-89,675,180.85**	12,660,914.03
Loss on bad debts of other receivables	**7,487,911.11**	-2,926,354.67
Total	**-73,488,952.21**	5,878,262.06

52. Impairment loss of assets

Items	Amount recognized in current year	Amount recognized in previous year
Loss on stock depreciation and loss on impairment of contract performance cost	**-497,043,941.42**	-1,196,273,395.09
Loss on impairment of contract assets	**-111,296,391.27**	-70,289,813.20
Loss on impairment of fixed assets	**-202,057,387.85**	-2,136,941,670.71
Loss on impairment of intangible assets	**0.00**	-5,858,975.37
Loss on impairment of right-of-use assets	**0.00**	-6,615,636.58
Total	**-810,397,720.54**	-3,415,979,490.95

53. Gains from disposal of assets

Items	Amount recognized in current year	Amount recognized in previous year
Gains from disposal of non-current assets	**28,663,956.55**	11,122,289.20
Including: Gains from disposal of non-current assets not classified as held for sale	**28,663,956.55**	11,122,289.20
Including: Gains from disposal of fixed assets	**28,663,956.55**	11,122,289.20
Total	**28,663,956.55**	11,122,289.20

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

54. Non-operating revenue

Items	**Amount recognized in current year**	Amount recognized in previous year	Amount included in non-recurring profit or loss of current year
Gains from compensations and penalties	**23,475,970.60**	98,992,755.29	23,475,970.60
Donation gains	**0.00**	319,960.40	0.00
Others	**10,627,259.39**	1,401,921.64	10,627,259.39
Total	**34,103,229.99**	100,714,637.33	34,103,229.99

55. Non-operating expenses

Items	**Amount in current year**	Amount in current year	Amount included in non-recurring profit or loss of current year
Payment of charitable donations	**0.00**	283,018.86	0.00
Losses on damage or retirement of non-current assets	**4,846,036.79**	4,004,121.03	4,846,036.79
Payment of compensations and penalties	**85,607,286.52**	2,485,402.15	85,607,286.52
Carbon allowances	**16,586,128.55**	0.00	16,586,128.55
Others	**2,826,728.92**	2,847,998.49	2,826,728.92
Total	**109,866,180.78**	9,620,540.53	109,866,180.78

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

56. Income tax expenses

(1) Income tax expenses

Items	Amount recognized in current year	Amount recognized in previous year
Current income tax calculated according to tax law and relevant regulations	**390,004,885.64**	527,896,005.23
— Chinese Mainland enterprise income tax	**390,004,885.64**	527,896,005.23
— Hong Kong profits tax	**0.00**	0.00
— Macau income tax	**0.00**	0.00
Deferred income tax expenses	**-145,124,219.04**	-563,530,941.94
Total	**244,880,666.60**	-35,634,936.71

(2) Reconciliations of accounting profit and income tax expense

Items	Amounts incurred during the current year
Combined total profit for the year	**-1,089,249,411.83**
Income tax expenses calculated at statutory/applicable tax rate	**-163,387,411.77**
Impact of different tax rates applied to subsidiaries	**-127,073,354.91**
Adjust the impact of income taxes for previous periods	**-7,794,160.64**
Impact of non-taxable income	**-70,050,962.08**
Effect of non-deductible costs, expenses and losses	**80,936,877.46**
Impact of utilization of deductible losses for which no deferred income tax assets were previously recognized	**-5,164,828.43**
Effect of deductible temporary differences or deductible losses on deferred income tax assets not recognized in the current year	**542,458,940.90**
Effect of additional deduction	**-20,559,092.76**
Others	**15,514,658.83**
Income tax expenses	**244,880,666.60**

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

57. Items of the Cash Flow Statement

(1) Cash relating to operating activities

1) Other cash received from activities relating to operation

Items	Amount recognized in current year	Amount recognized in previous year
Cash received from penalties	**21,212,609.40**	89,130,794.95
Cash received from government grants	**214,277,838.19**	154,213,581.13
Received refunds of security the Company submitted to external parties	**154,321,127.49**	137,678,157.45
Cash received from security submitted by external parties	**19,566,346.29**	94,001,144.32
Cash received from interests of bank deposits	**102,412,486.32**	112,478,146.79
Other cashes received from operating activities	**21,535,271.29**	23,916,817.73
Total	**533,325,678.98**	611,418,642.37

2) Other cash paid for activities relating to operating activities

Items	Amount recognized in current year	Amount recognized in previous year
Cash paid for selling expenses, administrative expense and R&D expenses	**286,316,789.39**	497,266,022.80
Security the Company paid to external parties	**106,518,816.83**	115,934,865.03
Refunds of security of external parties	**44,440,038.68**	72,066,811.09
Cash paid for handling fees of relevant banking businesses	**26,809,537.82**	25,794,747.14
Other cashes paid for operating activities	**49,236,192.25**	22,168,966.74
Total	**513,321,374.97**	733,231,412.80

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

57. Items of the Cash Flow Statement (Continued)

(2) Cash relating to investment activities

1) *Other cash received relating to investment activities*

Items	Amount recognized in current year	Amount recognized in previous year
Cash received from disposal of self-operated projects	**576,191,749.08**	264,218,090.00
Option premium	**30,364,620.00**	0.00
Share advances	**4,096,410.90**	2,685,000.00
Restricted funds and margin	**0.00**	22,110,022.60
Total	**610,652,779.98**	289,013,112.60

2) *Other cash paid relating to investment activities*

Items	Amount recognized in current year	Amount recognized in previous year
Restricted funds and margin	**37,813,564.50**	47,392,308.52
Settlement loss of financial assets held for trading	**147,688,112.61**	18,746,798.64
Total	**185,501,677.11**	66,139,107.16

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

57. Items of the Cash Flow Statement (Continued)

(3) Cash relating to financing activities

1) Other cash received relating to financing activities

Items	Amount recognized in current year	Amount recognized in previous year
Restricted funds	**426,066,500.38**	263,224,942.89
Capital contribution from non-controlling interests	**46,769,700.00**	0.00
Borrowings of third parties	**43,590,907.73**	228,160,441.35
Factoring returns	**626,584,492.02**	77,979,836.75
Total	**1,143,011,600.13**	569,365,220.99

2) Other cash paid relating to financing activities

Items	Amount recognized in current year	Amount recognized in previous year
Restricted funds	**447,945,710.31**	921,726,582.16
Payment for equity acquisition	**490,000.00**	2,000,252,054.79
Repayment of advances	**619,521,126.41**	0.00
Factoring advance and service charge	**527,841,632.16**	0.00
Land lease payments	**99,950,586.70**	91,167,402.38
Others	**0.00**	4,120,000.00
Total	**1,695,749,055.58**	3,017,266,039.33

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

58. Supplementary Information of the Cash Flow Statement

(1) Supplementary information of the cash flow statement

Items	Amount recognized in current year	Amount recognized in previous year
1. Net profit reconciled to cash flows from operating activities:	**–**	–
Net profit	**-1,334,130,078.43**	-4,043,737,161.89
Add: Provision for impairment of assets	**810,397,720.54**	3,415,979,490.95
Impairment loss of credit	**73,488,952.21**	-5,878,262.06
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	**2,742,189,794.10**	2,869,679,954.34
Depreciation of right-of-use assets	**31,089,209.76**	33,969,589.84
Amortization of intangible assets	**71,127,929.23**	69,991,786.68
Amortization of long-term deferred expenses	**40,488,147.35**	14,101,213.90
Loss on disposal of fixed assets, intangible assets and other long-term assets (gain is represented by "**-**")	**-28,663,956.55**	-11,122,289.20
Loss on retirement of fixed assets (gain is represented by "**-**")	**4,846,036.79**	4,004,121.03
Loss from changes in fair value (gain is represented by "**-**")	**0.00**	45,751,031.20
Financial expenses (income is represented by "**-**")	**692,120,208.02**	721,227,389.27
Investment loss (income is represented by "**-**")	**-1,083,645,054.33**	-767,342,960.72
Decrease of deferred income tax assets (increase is represented by "**-**")	**16,011,310.38**	-575,580,415.80
Increase of deferred income tax liabilities (decrease is represented by "**-**")	**-161,135,529.42**	12,049,473.86
Decrease of inventories (increase is represented by "**-**")	**-1,022,462,988.97**	-2,263,843,715.48
Decrease of operating receivables (increase is represented by "**-**")	**284,453,764.93**	2,767,488,316.05
Increase of operating payables (decrease is represented by "**-**")	**-3,251,909,468.31**	-532,160,808.00
Others	**0.00**	0.00
Net cash flow from operating activities	**-2,115,734,002.70**	1,754,576,753.97

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

58. Supplementary Information of the Cash Flow Statement (Continued)

(1) Supplementary information of the cash flow statement (Continued)

Items	Amount recognized in current year	Amount recognized in previous year
2. Significant investment and financing activities not involving cash receipt and payment:		
Translation of debt into capital	**0.00**	0.00
Convertible corporate bonds due within one year	**0.00**	0.00
Fixed assets leased through financing	**0.00**	0.00
3. Changes of cash and cash equivalents:		
Balance of cash at the end of the year	**6,005,238,095.67**	5,494,514,947.49
Less: Balance of cash at the beginning of the year	**5,494,514,947.49**	11,867,232,272.62
Add: Balance of cash equivalents at the end of the year	**0.00**	0.00
Less: Balance of cash equivalents at the beginning of the year	**0.00**	0.00
Net increase of cash and cash equivalents	**510,723,148.18**	-6,372,717,325.13

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

58. Supplementary Information of the Cash Flow Statement (Continued)

(2) Net cash received from disposal of subsidiaries in the current year

Items	Amount
Cash or cash equivalents received in the current year from disposal of subsidiaries in the year	762,998,040.44
Including: Fengning Manchu Autonomous County Xinlong Wind Power Co., Ltd. (豐寧滿族自治縣新隆風力發電有限公司)	385,940,000.00
Hailun City Lusheng New Energy Technology Co., Ltd. (海倫市綠晟新能源科技有限公司)	166,493,919.18
Wuyang County Xinyang New Energy Co., Ltd. (舞陽縣新陽新能源有限公司)	110,135,286.12
Jiangyong Chenfeng New Energy Development Co., Ltd. (江永晨風新能源開發有限公司)	95,002,200.00
Zibo Gaoguang New Energy Co., Ltd. (淄博高光新能源有限公司)	2,219,910.00
Aletai Shengding Wind Power Co., Ltd. (阿勒泰盛鼎風力發電有限公司)	1,000,000.00
Gongliu County Shihe New Energy Co., Ltd. (鞏留縣世禾新能源有限公司)	1,000,000.00
Fenyang Yuhe New Energy Co., Ltd. (汾陽市峪河新能源有限公司)	999,400.00
Zibo Qingfeng New Energy Co., Ltd. (淄博青風新能源有限公司)	107,640.38
Jiujiang Huiyi New Energy Technology Co., Ltd. (九江慧熠新能源科技有限公司)	29,684.76
Hengshui Shengte New Energy Technology Co., Ltd. (衡水市晟特新能源科技有限公司)	20,000.00
Jingxian Yute New Energy Development Co., Ltd. (景縣煜特新能源開發有限公司)	20,000.00
Pingtang County Zhaoxu Wind Power Co., Ltd. (平塘縣朝旭風力發電有限公司)	20,000.00
Gucheng Junneng New Energy Technology Co., Ltd. (故城俊能新能源科技有限公司)	10,000.00
Less: Cash and cash equivalents held by subsidiaries at the date of losing the control right	379,013,711.94
Including: Hailun City Lusheng New Energy Technology Co., Ltd. (海倫市綠晟新能源科技有限公司)	163,701,041.07
Fengning Manchu Autonomous County Xinlong Wind Power Co., Ltd. (豐寧滿族自治縣新隆風力發電有限公司)	91,999,674.90
Jiujiang Huiyi New Energy Technology Co., Ltd. (九江慧熠新能源科技有限公司)	51,414,794.29
Hengshui Shengte New Energy Technology Co., Ltd. (衡水市晟特新能源科技有限公司)	37,760,377.65
Wuyang County Xinyang New Energy Co., Ltd. (舞陽縣新陽新能源有限公司)	23,449,306.39
Jiangyong Chenfeng New Energy Development Co., Ltd. (江永晨風新能源開發有限公司)	3,764,272.64
Gucheng Junneng New Energy Technology Co., Ltd. (故城俊能新能源科技有限公司)	3,534,536.01

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

58. Supplementary Information of the Cash Flow Statement (Continued)

(2) Net cash received from disposal of subsidiaries in the current year (Continued)

Items	Amount
Jingxian Yute New Energy Development Co., Ltd. (景縣煜特新能源開發有限公司)	1,497,098.04
Gongliu County Shihe New Energy Co., Ltd. (鞏留縣世禾新能源有限公司)	1,000,000.00
Guanling Shengfeng Energy Development Co., Ltd. (關嶺晟風能源開發有限公司)	323,481.01
Wuwei Wangshu New Energy Technology Co., Ltd. (武威望舒新能源科技有限公司)	307,718.51
Fenyang Yuhe New Energy Co., Ltd. (汾陽市峪河新能源有限公司)	120,534.38
Zibo Qingfeng New Energy Co., Ltd. (淄博青風新能源有限公司)	107,640.38
Aletai Shengding Wind Power Co., Ltd. (阿勒泰盛鼎風力發電有限公司)	18,230.50
Guanling Shengfeng Energy Development Co., Ltd. (平塘縣朝旭風力發電有限公司)	14,370.09
Zibo Gaoguang New Energy Co., Ltd. (淄博高光新能源有限公司)	626.08
Turpan Chaojia Wind Power Co., Ltd. (吐魯番市超嘉風力發電有限公司)	10.00
Add: Cash and cash equivalents received in the current year from disposal of subsidiaries in previous periods	225,809,045.08
Including: Ruoqiang Tong Yang New Energy Co., Ltd. (若羌縣同陽新能源有限公司)	166,395,400.00
Wuxue Fenghui New Energy Co., Ltd (武穴市豐匯新能源有限公司)	29,147,209.00
Baotou Guangchi Solar Energy Co., Ltd. (包頭市光熾太陽能有限責任公司)	14,241,618.89
Ruicheng County Huiyuan Power Generation Co., Ltd. (芮城縣暉源發電有限責任公司)	8,985,302.19
Yun County Huineng Power Co., Ltd. (雲縣匯能發電有限責任公司)	7,039,515.00
Net cash received from disposal of subsidiaries	609,793,373.58

(3) Composition of cash and cash equivalents

Items	Closing balance	Opening balance
Cash	**6,005,238,095.67**	5,494,514,947.49
Including: Cash in hand	**0.00**	0.00
Bank deposits that are readily available for payment	**5,779,740,070.78**	4,654,651,867.97
Other monetary funds that are readily available for payment	**225,498,024.89**	839,863,079.52
Cash equivalents	**0.00**	0.00
Including: Debt investments due within three months	**0.00**	0.00
Balance of cash and cash equivalents at the end of the year	**6,005,238,095.67**	5,494,514,947.49
Including: restricted cash and cash equivalents used by the parent company or subsidiaries within the Group	**113,126,775.37**	166,569,843.36

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

59. Assets with restrictions in ownership or use rights

Items	At the end of the year			
	Book balance	Carrying amount	Restricted type	Restricted case
Monetary capital	3,228,831,246.08	3,228,831,246.08	Term deposits and call deposits, margin, funds frozen by the court and security deposits for the letter of guarantee, etc.	Details are set out in Notes V.1 to these financial statements
Notes receivable	23,194,469.70	22,962,525.00	Pledged	Pledged notes for bill pool
Accounts receivable	3,135,880,678.83	2,855,093,864.14	Pledged	Pledged borrowings
Receivables financing	539,063,657.39	539,063,657.39	Pledged	Pledged notes for bill pool
Inventories	174,180,722.68	163,154,057.60	Pledged	Restrictions on bank borrowing collateral
Fixed assets	25,184,395,688.74	19,874,154,824.03	Pledged	Restrictions on bank borrowing collateral
Construction in progress	1,270,836,490.22	1,270,836,490.22	Pledged	Restrictions on bank borrowing collateral
Intangible assets	308,559,899.64	235,379,022.81	Pledged	Restrictions on bank borrowing collateral
Other non-current assets	2,542,962.30	2,542,962.30	Judicial freezing	Judicial freeze on large certificates of deposit
Total	33,867,485,815.58	28,192,018,649.57	–	–

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

59. Assets with restrictions in ownership or use rights (Continued)

Items	At the beginning of the year			
	Book balance	Carrying amount	Restricted type	Restricted case
Monetary capital	6,168,441,893.83	6,168,441,893.83	Term deposits and call deposits, margin, funds frozen by the court and security deposits for the letter of guarantee, etc.	Details are set out in Notes V.1 to these financial statements
Notes receivable	225,499,120.83	223,244,129.62	Mortgage	Pledged notes for bill pool
Accounts receivable	2,818,651,972.20	2,574,888,422.08	Pledged, Factoring	Pledged borrowings, factoring loans
Receivables financing	407,493,746.36	407,493,746.36	Mortgage	Pledged notes for bill pool
Inventories	1,460,971,406.69	1,416,771,511.94	Mortgage	Restrictions on bank borrowing collateral
Fixed assets	23,570,525,647.35	19,453,172,517.83	Mortgage	Restrictions on bank borrowing collateral
Construction in progress	2,219,097,076.60	2,219,097,076.60	Mortgage	Restrictions on bank borrowing collateral
Intangible assets	272,087,473.76	186,078,773.19	Mortgage	Restrictions on bank borrowing collateral
Other non-current assets	28,108,931.04	28,108,931.04	Judicial freezing	Judicial freeze on large certificates of deposit
Total	37,170,877,268.66	32,677,297,002.49	–	–

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

60. Foreign currency monetary items

Items	Foreign currency balance at the end of the year	Exchange rate	Balance translated to RMB at the end of the year
Bank deposits			
Including: USD	29,943,823.58	7.0288	210,469,147.18
EUR	3,938,961.33	8.2355	32,439,316.04
AUD	0.05	4.6892	0.24
INR	329,215,315.08	0.0783	25,777,559.17
PKR	54,019,498.22	0.0251	1,355,889.41
EGP	1,715,873.62	0.1473	252,748.19
HKD	596,030.50	0.9032	538,334.75
CLP	44,264,767.00	0.0078	345,265.18
BDT	3,073,719.08	0.0571	175,509.36
BRL	4,510,874.90	1.2832	5,788,354.67
PHP	27,744,801.25	0.1195	3,315,503.75
ZMW	2,921,823.09	0.3163	924,172.64
JPY	3,916,719.00	0.0448	175,469.01
Other monetary funds			
Including: USD	1,505,305.39	7.0288	10,580,490.53
EUR	56,154.90	8.2355	462,463.68
INR	117,713,952.70	0.0783	9,217,002.50
Accounts receivable			
Including: USD	32,178,719.52	7.0288	226,177,783.76
INR	1,022,105,469.72	0.0783	80,030,858.28
PKR	192,299,437.05	0.0251	4,826,715.89
EUR	6,828,269.80	8.2355	56,234,215.95
BRL	12,227,314.02	1.2832	15,690,089.35
PHP	243,566,447.20	0.1195	29,106,190.45

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

60. Foreign currency monetary items (Continued)

Items	Foreign currency balance at the end of the year	Exchange rate	Balance translated to RMB at the end of the year
Contract assets-retention money			
Including: USD	9,832,528.54	7.0288	69,110,876.60
EUR	3,201,402.40	8.2355	26,365,149.47
Other receivables			
Including: USD	425,841.29	7.0288	2,993,153.26
EUR	215,642.00	8.2355	1,775,919.69
ZMW	4,622,142.36	0.3163	1,461,983.62
EGP	45,901.92	0.1473	6,761.35
PHP	118,074,771.86	0.1195	14,109,935.24
Accounts payable			
Including: USD	3,406,864.15	7.0288	23,946,166.74
EUR	128,172.79	8.2355	1,055,567.01
HKD	77,400.00	0.9032	69,907.68
PKR	8,386,765.25	0.0251	210,507.81
EGP	237,274.01	0.1473	34,950.46
MYR	2,650.00	1.7319	4,589.54
INR	2,608,272,157.60	0.0783	204,227,709.93
BRL	57,716.28	1.2832	74,061.53
PHP	178,867,981.36	0.1195	21,374,723.78
BHD	351,151.29	18.6440	6,546,864.65
Other payables			
Including: USD	906,241.96	7.0288	6,369,793.49
PKR	3,710,474.40	0.0251	93,132.91
EGP	491,024.51	0.1473	72,327.91
BRL	1,052,856.86	1.2832	1,351,025.92
EUR	57,886.91	8.2355	476,727.65
PHP	77,696.06	0.1195	9,284.68
INR	239,763,226.31	0.0783	18,773,460.62

VI. RESEARCH AND DEVELOPMENT EXPENDITURE

Items	Amount recognized in current year	Amount recognized in previous year
R&D projects	**369,015,776.93**	367,025,868.06
Total	**369,015,776.93**	367,025,868.06
Including: Expensed R&D expenditure	**369,015,776.93**	367,025,868.06
Capitalised R&D expenditure	**0.00**	0.00

VII. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Disposal of subsidiaries

(1) Transactions or events resulting in the loss of control over a subsidiary during the current year

During the current year, the Group lost control of 57 subsidiaries, including Wuyang County Xinyang New Energy Co., Ltd. (舞陽縣新陽新能源有限公司) and Jiujiang Huiyi New Energy Technology Co., Ltd. (九江慧熠新能源科技有限公司), as a result of one-off disposals.

(2) Disposal of an investment in a subsidiary through a series of transactions, resulting in the loss of control during the current year

Nil.

2. Changes in the scope of consolidation for other reasons

(1) Cancellation of subsidiaries

There was a decrease of 43 subsidiaries including Turpan Fengyuan Power Generation Co., Ltd. (吐魯番市風源發電有限公司) and Shandan Jinyu Energy Development Co., Ltd. (山丹縣金煜能源開發有限公司) due to cancellation in the current year.

(2) Newly established subsidiaries

There was an increase of 36 subsidiaries including Xi'an Zhongqiu Fengqing New Energy Co., Ltd. (西安中丘風擎新能源有限公司) and Hubei Xinsheng New Energy Co., Ltd. (湖北省新盛新能源有限公司) due to new establishment in the current year.

VIII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Structure of the Group

Name of subsidiary	Type of legal person	Place of registration and principal place of business	Business	Registered capital (RMB'0,000)	Shareholding (%) Directly	Shareholding (%) Indirectly	Way of acquisition
TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司)	Joint stock company	Urumqi, Xinjiang	Construction of wind power and PV power plants	570,013.13	91.26	0.00	Business merger involving enterprises under common control
Inner Mongolia Xinte Silicon Materials Co., Ltd. (内蒙古新特矽材料有限公司)	Limited liability company	Baotou, Inner Mongolia	Production and sales of polysilicon	350,000.00	82.00	0.00	Incorporation
Xinte Silicon New Materials Co., Ltd. (新特矽基新材料有限公司)	Limited liability company	Changji Xinjiang	Production and sales of polysilicon	440,000.00	100.00	0.00	Incorporation
Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體矽高科技有限 公司)	Limited liability company	Urumqi, Xinjiang	Production and sales of polysilicon	233,915.98	94.30	0.00	Incorporation
Xinjiang Xinte Energy Construction Material Co., Ltd. (新疆新特新能建材 有限公司)	Limited liability company	Urumqi, Xinjiang	Production and sales of aerated blocks	4,500.00	100.00	0.00	Incorporation
Xinjiang Jingshuo New Materials Co., Ltd. (新疆晶碩新材料有限公司)	Limited liability company	Urumqi, Xinjiang	R&D, production and sales of zirconium based new materials	27,000.00	7.41	87.32	Incorporation
Xinjiang Xinte Xinneng Materials Co., Ltd. (新疆新特新能材料檢測中心有限公司)	Limited liability company	Urumqi, Xinjiang	Inspection and testing services	4,478.00	100.00	0.00	Incorporation
Changji Prefecture Shengding New Energy Power Generation Co., Ltd. (昌吉州盛鼎新能源發電有限公司)	Limited liability company	Changji Xinjiang	Operation of wind power plants	193,962.00	0.00	58.25	Incorporation
Changji Prefecture Shengyu New Energy Power Generation Co., Ltd. (昌吉州盛裕新能源發電有限公司)	Limited liability company	Changji Xinjiang	Operation of PV power plants	104,860.88	0.00	58.25	Incorporation
Urumqi Junsheng Wind Power Generation Co., Ltd. (烏魯木齊縣君盛風力發電有限公司)	Limited liability company	Urumqi, Xinjiang	Operation of wind power plants	15,422.00	0.00	100.00	Incorporation
Urumqi Zhijun Wind Power Co., Ltd. (烏魯木齊志君風力 發電有限公司)	Limited liability company	Urumqi, Xinjiang	Operation of wind power plants	15,422.00	100.00	0.00	Incorporation
CAMC – TBEA New Energy REIT (華夏特變電工 新能源REIT)	Other	Shanghai	Operation of PV power plants	116,370.00	16.00	31.98	Incorporation
TBEA Xi'an Electrical Technology Co., Ltd. (特變電工西安電氣科技有限公司)	Limited liability company	Xi'an, Shaanxi	R&D, production and sales of inverters	175,000.00	0.00	91.26	Incorporation
Baotou Guangyi Solar Power Co., Ltd. (包頭市光羿太陽能發電有限責任公司)	Limited liability company	Baotou, Inner Mongolia	Operation of PV power plants	15,578.32	0.00	91.26	Incorporation
Burqin County Jingneng Wind Power Co., Ltd. (布爾津縣晶能風力發電有限責任公司)	Limited liability company	Altay Prefecture, Xinjiang	Operation of wind power plants	26,700.00	0.00	91.26	Incorporation
Guyang County Wind Power Generation Co., Ltd. (固陽縣風 源發電有限責任公司)	Limited liability company	Baotou, Inner Mongolia	Operation of wind power and PV power plants	19,465.00	0.00	91.26	Incorporation
Hami Huafeng New Energy Power Generation Co., Ltd. (哈密華風新能源發電有限公司)	Limited liability company	Hami, Xinjiang	Operation of wind power plants	38,773.33	16.00	31.98	Incorporation

VIII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Structure of the Group (Continued)

Name of subsidiary	Type of legal person	Place of registration and principal place of business	Business	Registered capital (RMB'0,000)	Shareholding (%) Directly	Shareholding (%) Indirectly	Way of acquisition
Mulei County Jiayu Fengsheng Power Generation Co., Ltd. (木壘縣嘉裕風晟發電有限公司)	Limited liability company	Changji, Xinjiang	Operation of wind power plants	48,716.00	0.00	91.26	Incorporation
Mulei County Xinte Huineng Power Generation Co., Ltd. (木壘縣新特匯 能發電有限責任 公司)	Limited liability company	Changji, Xinjiang	Operation of wind power plants	16,250.00	0.00	91.26	Incorporation
Yu County Huaguang PV Power Generation Co., Ltd. (盂縣華光光伏發電有限公司)	Limited liability company	Yangquan, Shanxi	Operation of PV power plants	15,349.60	0.00	91.26	Incorporation
Zhengxiangbai Banner Fengsheng Power Generation Co., Ltd. (正鑲白旗風盛發電有限公司)	Limited liability company	Xilingol League, Inner Mongolia	Operation of wind power plants	120,259.09	0.00	55.62	Incorporation
Zhongmin (Mulei) Wind Power Co., Ltd. (中閩(木壘)風電有限公司)	Limited liability company	Changji, Xinjiang	Operation of wind power plants	42,000.00	0.00	91.26	Merger involving enterprises under different control
Xi'an TBEA Electric Power Design Co., Ltd. (西安特變電工電力設計有限責任公司)	Limited liability company	Xi'an, Shaanxi	Electric power design	2,099.90	0.00	91.26	Incorporation
TBEA Xi'an Flexible Power Transmission & Distribution Co., Ltd. (特變電工西安柔性輸配電有限公司)	Limited liability company	Xi'an, Shaanxi	R&D, production and sales of flexible direct current power transmission and distribution	5,000.00	0.00	91.26	Incorporation
Heze Mudan District Haofeng New Energy Co., Ltd. (菏澤市牡丹區浩風新能源有限公司)	Limited liability company	Heze, Shandong	Operation of wind power plants	12,834.00	0.00	91.26	Incorporation
Wenxi County Xinjia New Energy Co., Ltd. (聞喜縣新佳新能源有限公司)	Limited liability company	Yuncheng, Shanxi	Operation of PV power plants	14,392.43	0.00	91.26	Incorporation
Shache County Xinshang Energy Power Generation Co., Ltd. (莎車縣新尚能源發電有限責任公司)	Limited liability company	Kashgar Prefecture, Xinjiang	Operation of PV power plants	15,222.51	0.00	91.26	Incorporation
Ruoqiang Zhuo Shang New Energy Co., Ltd. (若羌縣卓尚新能源有限公司)	Limited liability company	Bayingol Mongolian Autonomous Prefecture, Xinjiang	Operation of wind power plants	7,860.00	0.00	91.26	Incorporation
Liaocheng Shenxian Huahao New Energy Development Co., Ltd. (聊城莘縣華浩新能源發展有限公司)	Limited liability company	Liaocheng, Shandong	Operation of PV power plants	11,943.15	0.00	91.26	Incorporation

Note: In July 2018, Xinjiang Socos New Materials Co., Ltd. (hereinafter referred to as "**Socos**") contributed RMB133.3 million to Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (hereinafter referred to as "**Crystal Silicon Company**"), a wholly-owned subsidiary of the Company. Upon completion of the capital increase, Socos held 7.66% of the equity interests in Crystal Silicon Company. In February 2020, with the unanimous consent of the shareholders of Crystal Silicon Company, the Company, Crystal Silicon Company and Urumqi Strategic Emerging Industry Xinte Energy Leading Fund (LLP) (hereinafter referred to as the "**Strategic Emerging Industry Fund**") entered into an Investment Agreement, pursuant to which the Strategic Emerging Industry Fund made a capital contribution of RMB600 million to Crystal Silicon Company. Following the completion of the capital increase and the registration of the relevant changes with the competent authority, the shareholding percentages of the Company, the Strategic Emerging Industry Fund and Socos Company in Crystal Silicon Company were 68.65%, 25.65% and 5.70%, respectively.

VIII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1) Structure of the Group (Continued)

Note: (Continued)

In the first half of 2025, the Strategic Emerging Industry Fund proposed to exit Crystal Silicon Company and demanded that the Company perform the repurchase obligation pursuant to the Investment Agreement. The Company then acquired all of the equity interests in Crystal Silicon Company held by the Strategic Emerging Industry Fund, paid the equity transfer consideration and completed the registration of the relevant changes with the competent authority. Upon completion of this equity transfer, the Company's shareholding percentage in Crystal Silicon Company increased to 94.30%, while Socos Company's shareholding percentage in Crystal Silicon Company remained at 5.70%.

(2) Significant non-wholly owned subsidiaries

Name of subsidiary	Shareholding of non-controlling interest (%)	Profit or loss attributable to non-controlling interest in current year	Dividends declared to non-controlling interest in current year	Balance of non-controlling interest at the end of current year
TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司)	8.74	7,432,238.07	0.00	1,037,990,454.21
Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	5.70	-47,263,863.30	0.00	969,347,247.00
Inner Mongolia Xinte Silicon Materials Co., Ltd. (內蒙古新特硅材料有限公司)	18.00	-178,454,029.66	0.00	668,996,263.56

Name of subsidiary	Shareholding of non-controlling interest (%)	Profit or loss attributable to non-controlling interest in previous year	Dividends declared to non-controlling interest in previous year	Balance of non-controlling interest at the end of previous year
TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司)	0.51	130,278,200.57	214,343,458.24	52,123,106.35
Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	7.66	-106,777,569.96	0.00	1,016,582,074.39
Inner Mongolia Xinte Silicon Materials Co., Ltd. (內蒙古新特硅材料有限公司)	18.00	-184,319,749.79	232,568,647.42	848,031,094.96

VIII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(3) Key financial information of significant non-wholly owned subsidiaries

in RMB'0,000

Name of subsidiary	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司)	1,802,996.50	2,295,233.51	4,098,230.01	1,273,839.78	1,375,761.25	2,649,601.03
Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	1,103,295.75	452,443.99	1,555,739.73	212,509.36	3,638.93	216,148.29
Inner Mongolia Xinte Silicon Materials Co., Ltd. (內蒙古新特硅材料有限公司)	120,277.87	822,275.34	942,553.21	440,472.69	129,031.52	569,504.21

in RMB'0,000

Name of subsidiary	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司)	1,839,924.29	2,353,796.72	4,193,721.01	1,628,237.01	1,457,141.14	3,085,378.15
Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	1,118,379.65	477,847.78	1,596,227.43	204,812.02	7,664.33	212,476.35
Inner Mongolia Xinte Silicon Materials Co., Ltd. (內蒙古新特硅材料有限公司)	202,337.96	842,959.54	1,045,297.50	390,580.29	182,204.41	572,784.70

VIII. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(3) Key financial information of significant non-wholly owned subsidiaries (Continued)

in RMB'0,000

Name of subsidiary	Amount recognized in current year			
	Operating revenue	Net profit	Comprehensive income	Cash flows from operating activities
TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司)	**1,371,917.70**	**83,226.53**	**85,129.66**	**183,504.90**
Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	**282,019.44**	**-44,109.15**	**-44,109.15**	**20,114.39**
Inner Mongolia Xinte Silicon Materials Co., Ltd. (內蒙古新特硅材料有限公司)	**74,254.11**	**-99,141.13**	**-99,141.13**	**-73,701.44**

in RMB'0,000

Name of subsidiary	Amount recognized in previous year			
	Operating revenue	Net profit	Comprehensive income	Cash flows from operating activities
TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司)	1,259,132.61	108,705.64	107,874.65	34,105.99
Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	330,894.72	-142,730.75	-142,730.75	196,780.57
Inner Mongolia Xinte Silicon Materials Co., Ltd. (內蒙古新特硅材料有限公司)	259,798.05	-102,399.86	-102,399.86	32,760.85

(4) Significant restrictions on the use of the Group's assets and the settlement of the Group's debts

Nil.

VIII. INTERESTS IN OTHER ENTITIES (Continued)

2. Changes in share of owner's equity in subsidiaries with control over subsidiaries

(1) Changes in share of owner's equity in subsidiaries

Nil.

(2) Impact of transactions on minority shareholders' equity and ownership interests vested in parent company

Nil.

VIII. INTERESTS IN OTHER ENTITIES (Continued)

3. Interests in joint ventures or associates

(1) Significant joint ventures or associates

Name of joint venture or associate	Principal place of business	Registration place	Business	Shareholding (%) Directly	Shareholding (%) Indirectly	Accounting treatment method for investments in joint ventures and associates
Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	Changji, Xinjiang	Zhundong Economic and Technological Development Zone, Jimusar County, Changji Prefecture, Xinjiang (Industrial Square west of the South Open-pit Coal Mine of Xinjiang Tianchi Energy Co., Ltd. (新疆天池能源有限責任公司))	Electricity and heat production and supply industry	49.00	0.00	Equity method
Xinjiang Zhunneng Investment Co., Ltd. (新疆准能投資有限公司)	Changji, Xinjiang	No. 31-2, Zhundong Avenue, Zhundong Economic and Technological Development Zone, Changji Hui Autonomous Prefecture, Xinjiang (CAI Zhong)	Electricity and heat production and supply industry	46.23	0.00	Equity method

(2) Key financial information of significant associates

Items	Closing balance/ Amount recognized in current year: Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	Closing balance/ Amount recognized in current year: Xinjiang Zhunneng Investment Co., Ltd. (新疆准能投資有限公司)	Opening balance/ Amount recognized in previous year: Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	Opening balance/ Amount recognized in previous year: Xinjiang Zhunneng Investment Co., Ltd. (新疆准能投資有限公司)
Current assets	903,418,949.31	658,138,595.17	772,849,404.00	344,611,299.31
Including: Cash and cash equivalents	219,152,020.87	141,924,999.69	396,676,310.25	29,952,244.81
Non-current assets	2,880,847,150.14	3,934,424,556.23	3,036,975,777.84	4,286,932,036.58
Total assets	3,784,266,099.45	4,592,563,151.40	3,809,825,181.84	4,631,543,335.89
Current liabilities	482,753,157.19	905,849,424.27	744,647,350.16	1,694,862,215.79
Non-current liabilities	976,857,156.21	2,353,339,283.91	1,107,734,996.89	2,102,910,211.73
Total liabilities	1,459,610,313.40	3,259,188,708.18	1,852,382,347.05	3,797,772,427.52
Total net assets	2,324,655,786.05	1,333,374,443.22	1,957,442,834.79	833,770,908.37
Including: Non-controlling interest	0.00	0.00	0.00	0.00
Equity attributable to the shareholders of the parent company	2,324,655,786.05	1,333,374,443.22	1,957,442,834.79	833,770,908.37

VIII. INTERESTS IN OTHER ENTITIES (Continued)

3. Interests in joint ventures or associates (Continued)

(2) Key financial information of significant associates (Continued)

Items	Closing balance/ Amount recognized in current year		Opening balance/ Amount recognized in previous year	
	Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	Xinjiang Zhunneng Investment Co., Ltd. (新疆准能投資有限公司)	Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	Xinjiang Zhunneng Investment Co., Ltd. (新疆准能投資有限公司)
Share of net assets calculated based on shareholding percentage	1,139,081,335.16	616,371,204.88	959,146,989.05	408,547,745.10
Adjustments				
– Goodwill	0.00	0.00	0.00	0.00
– Unrealized profits of intra-group transactions	0.00	0.00	0.00	0.00
– Others	0.00	0.00	0.00	0.00
Carrying amount of equity investments in associates	1,789,459,983.40	708,182,281.78	0.00	506,648,196.40
Operating revenue	1,676,537,837.51	1,289,021,284.57	1,982,637,239.15	118,025,230.78
Financial expenses	42,921,986.97	74,521,997.33	63,474,849.05	0.00
Income tax expenses	109,011,735.42	68,427,007.49	153,181,848.29	9,070,424.17
Net profit	571,250,252.43	436,067,989.14	851,241,546.37	51,399,070.28
Net profit from discontinued operation	0.00	0.00	0.00	0.00
Other comprehensive income	0.00	0.00	0.00	0.00
Total comprehensive income	571,250,252.43	436,067,989.14	851,241,546.37	51,399,070.28
Dividends received from associates in current year	0.00	0.00	0.00	0.00

VIII. INTERESTS IN OTHER ENTITIES (Continued)

3. Interests in joint ventures or associates (Continued)

(3) Summary of financial information of insignificant joint ventures and associates

Items	Closing balance/Amount recognized in current year	Opening balance/Amount recognized in previous year
Joint ventures	**—**	—
Total carrying amount of investments	**0.00**	
Total amount calculated according to proportion of shareholding	**—**	—
— Net profit	**0.00**	-7,195,810.75
— Other comprehensive income	**0.00**	0.00
— Total comprehensive income	**0.00**	-7,195,810.75
Associates	**—**	—
Total carrying amount of investments	**388,657,104.66**	366,625,629.77
Total amount calculated according to proportion of shareholding	**—**	—
— Net profit	**35,091,676.38**	50,319,811.71
— Other comprehensive income	**0.00**	0.00
— Total comprehensive income	**35,091,676.38**	50,319,811.71

4. Significant joint operations

Nil.

5. Interests in structured entities not included in the scope of the consolidated financial statements

Nil.

IX. Government grants

1. Liabilities relating to government grants

Item	Opening balance	New grants added for the current year	Amount recognised as non-operating income for the current year	Amount transferred to other income for the current year	Other changes for the current year	**Closing balance**	Relating to assets/income
Deferred income	458,024,322.63	172,934,471.52	0.00	53,897,156.01	18,450,290.14	**558,611,348.00**	Relating to assets
Total	458,024,322.63	172,934,471.52	0.00	53,897,156.01	18,450,290.14	**558,611,348.00**	–

2. Government grants included in the current profits and losses

Item	**Amount recognized in current year**	Amount recognized in previous year
Other income	**121,359,818.21**	123,930,239.36
Total	**121,359,818.21**	123,930,239.36

X. RISKS RELATED TO FINANCIAL INSTRUMENTS

The Group is exposed to a variety of financial instrument risks in its daily activities, which mainly include market risks (such as exchange rate risk, interest rate risk, and commodity price risk), credit risk, and liquidity risk. Risks related to these financial instruments and the risk management policies the Group adopts to mitigate such risks are discussed below. The management of the Group manages and monitors the exposure of these risks to ensure that these risks are controlled within specific ranges.

1. Risk management goals and policies

The goal of the Group's risk management is to achieve a reasonable balance between risk and income, minimize the negative impact of risks on the Group's operating results, and maximize the interests of shareholders and other equity investors. Based on the goal of risk management, the Group's basic strategy of risk management is to identify and analyze the risks the Group is subject to, establish an appropriate risk tolerance baseline, promote risk management, monitor risks in a timely and reliable manner and control the risks within specific ranges.

(1) Market risks

1) Foreign exchange risk

The Group's foreign exchange exposure is mainly related to US dollars, Euro, Indian Rupee and Philippine Peso, etc. Except that individual subsidiaries of the Group are using US dollars and other foreign currencies for settlement, other main business operations of the Group are denominated and settled in RMB. As at 31 December 2025, some of the Group's assets and liabilities have balances in US dollars, Euro, Indian Rupee and Philippine Peso, etc. The foreign exchange exposure of balances in such foreign currencies is minimal, and will not have a material adverse impact on the financial position of the Group. The Group adopts reasonable hedging instruments and products to reduce the risk of exchange rate fluctuations, adheres to the principle of exchange rate hedging, clarify the management of target exchange rates, and appropriately conducts businesses such as spot and forward settlements to avoid the risk of exchange rate fluctuations.

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

1. Risk management goals and policies (Continued)

(1) Market risks (Continued)

1) Foreign exchange risk (Continued)

Items	Closing balance	Opening balance
Bank deposits		
Including: USD	**29,943,823.58**	64,945,122.94
EUR	**3,938,961.33**	12,567,378.30
AUD	**0.05**	0.05
INR	**329,215,315.08**	816,370,690.20
PKR	**54,019,498.22**	66,022,010.22
EGP	**1,715,873.62**	1,716,973.62
HKD	**596,030.50**	647,649.63
CLP	**44,264,767.00**	4,619,433.00
BDT	**3,073,719.08**	3,073,719.08
TRY	**0.00**	235,873.62
BRL	**4,510,874.90**	12,423,215.82
PHP	**27,744,801.25**	151,606,692.06
ZMW	**2,921,823.09**	0.00
JPY	**3,916,719.00**	0.00
Other monetary funds		
Including: USD	**1,505,305.39**	2,061,519.71
EUR	**56,154.90**	56,154.90
INR	**117,713,952.70**	117,713,952.70
Accounts receivable		
Including: USD	**32,178,719.52**	22,373,834.84
INR	**1,022,105,469.72**	189,333,165.24
PKR	**192,299,437.05**	365,307,058.75
EUR	**6,828,269.80**	10,052,720.34
BRL	**12,227,314.02**	23,755,995.95
PHP	**243,566,447.20**	21,117,533.28
Contract assets		
Including: USD	**9,832,528.54**	3,046,764.85
EUR	**3,201,402.40**	1,492,244.54

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

1. Risk management goals and policies (Continued)

(1) Market risks (Continued)

1) Foreign exchange risk (Continued)

Items	Closing balance	Opening balance
Other receivables		
Including: USD	**425,841.29**	130,879.86
EUR	**215,642.00**	140,432.00
ZMW	**4,622,142.36**	0.00
EGP	**45,901.92**	45,901.92
TRY	**0.00**	67,497.03
PHP	**118,074,771.86**	25,251,124.38
Accounts payable		
Including: USD	**3,406,864.15**	1,741,233.99
EUR	**128,172.79**	48,593.15
HKD	**77,400.00**	149,868.46
PKR	**8,386,765.25**	8,276,512.68
CLP	**0.00**	2,169,721.00
EGP	**237,274.01**	237,274.01
MYR	**2,650.00**	0.00
INR	**2,608,272,157.60**	95,511,384.40
BRL	**57,716.28**	59,605.30
PHP	**178,867,981.36**	64,508,048.36
BHD	**351,151.29**	0.00
Other payables		
Including: USD	**906,241.96**	438,364.40
EUR	**57,886.91**	0.00
PKR	**3,710,474.40**	7,129,595.66
EGP	**491,024.51**	491,024.51
BRL	**1,052,856.86**	700.00
PHP	**77,696.06**	0.00
INR	**239,763,226.31**	28,994,728.60

The Group closely monitors the impact of changes in exchange rates on the Group.

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

1. Risk management goals and policies (Continued)

(1) Market risks (Continued)

2) Interest rate risk

The Group's interest rate risk arises from interest-bearing liabilities such as bank borrowings and bonds payable. Financial liabilities at floating interest rates expose the Group to cash flow interest rate risk, and financial liabilities at fixed interest rates expose the Group to fair value interest rate risk. The Group determines the relative ratio of its fixed rate and floating rate contracts based on prevailing market conditions. As at 31 December 2025, the Group's interest-bearing liabilities mainly represent floating rate borrowing contracts denominated in RMB with the aggregate value of RMB23,049,332,334.58 (31 December 2024: RMB21,476,171,210.32) and fixed rate contracts denominated in RMB with the aggregate value of RMB948,435,104.21 (31 December 2024: RMB705,988,030.50).

The Group's risk of changes in fair value of financial instruments resulting from the changes in interest rates was mainly associated with bank borrowings with fixed interest rates. The Group aims to maintain these fixed interest-rate bank borrowings at floating rates.

The Group's risk of changes in cash flow of financial instruments resulting from the changes in interest rates was mainly associated with bank borrowings with floating interest rate. The Group's policy is to maintain these bank borrowings at the floating interest rate, so as to eliminate fair value risks arising from changes in interest rate.

3) Price risk

The Group is subject to price fluctuations as it procures raw materials and sells products at market rates.

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

1. Risk management goals and policies (Continued)

(2) Credit risk

The Group manages credit risk by portfolio classification. Credit risk mainly arises from monetary capital, notes receivable, accounts receivable, receivables financing, other receivables, contract assets, long-term receivables, etc.

In order to reduce credit risk, the Group has set up a dedicated department to determine credit limits, conduct credit approval, and perform other monitoring procedures to ensure necessary measures are taken to recover overdue debts. In addition, the Group reviews the recovery of each item of receivables at each balance sheet date, to ensure sufficient bad debt provisions are made on unrecoverable items. Therefore, the Group's management believes that the Group's credit risk has been significantly reduced.

The Group's credit risk related to liquidity was relatively low as its liquidity was deposited in banks with a high credit rating and TBEA Group Finance Co., Ltd. (特變電工集團財務有限公司).

The Group had taken necessary measures to make sure all customers have a good credit record. Other than the five largest amounts of accounts receivable and contract assets, the Group does not have other significant credit risk concentrations. The aggregate of the five largest amounts of accounts receivable and contract assets of the Group amounted to RMB3,658,189,612.49, accounting for 43.55% of the Company's total accounts receivable and contract assets.

(3) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations at maturity. The Group's policy of liquidity risk management is to ensure sufficient liquidity to meet the financial obligations as they fall due without incurring unacceptable losses or causing damage to its reputation. The Group regularly analyzes the structure and maturity of liabilities to ensure that sufficient funds are available. The management of the Group monitors the use of bank borrowings and ensures compliance with the agreements. It also negotiates with financial institutions on financing to maintain a certain credit limit and reduce liquidity risk. The Group will also consider negotiating with suppliers and financial institutions to extend the payment period by adopting supplier financing arrangements.

The Group takes bank borrowings as the major source of funds. As at 31 December 2025, the Group's unutilized facilities were RMB37,476,420,700 (31 December 2024: RMB47,033,333,700).

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

1. Risk management goals and policies (Continued)

(3) Liquidity risk (Continued)

1) Analysis of financial assets and financial liabilities of the Group by maturity of undiscounted remaining contractual obligations is set out as follows:

Amounts as at 31 December 2025:

Items	Within 1 year	1 year to 2 years	2 years to 5 years	Over 5 years	Total
Financial assets					
Monetary capital	9,246,573,935.07	0.00	0.00	0.00	9,246,573,935.07
Financial assets held for trading	84,947,050.09	0.00	0.00	0.00	84,947,050.09
Receivables financing	1,103,918,158.70	0.00	0.00	0.00	1,103,918,158.70
Notes receivable	141,159,905.14	0.00	0.00	0.00	141,159,905.14
Accounts receivable	6,823,038,812.77	0.00	0.00	0.00	6,823,038,812.77
Other receivables	286,894,528.75	0.00	0.00	0.00	286,894,528.75
Financial liabilities					
Short-term borrowings	1,131,337,437.66	0.00	0.00	0.00	1,131,337,437.66
Financial liabilities held for trading	7,488,887.79	0.00	0.00	0.00	7,488,887.79
Notes payable	4,898,259,810.05	0.00	0.00	0.00	4,898,259,810.05
Accounts payable	10,132,958,077.56	0.00	0.00	0.00	10,132,958,077.56
Other payables	74,570,080.30	0.00	0.00	0.00	774,570,080.30
Dividends payable	0.00	0.00	0.00	0.00	0.00
Staff remuneration payables	677,499,606.04	0.00	0.00	0.00	677,499,606.04
Non-current liabilities due within one year	2,502,800,906.55	0.00	0.00	0.00	2,502,800,906.55
Long-term borrowings	0.00	3,079,385,286.14	7,882,234,325.62	9,432,222,016.19	20,393,841,627.95

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

1. Risk management goals and policies (Continued)

(3) Liquidity risk (Continued)

2) The presence of financial liabilities under supplier financing arrangements

① The reporting entity entered into supplier financing arrangements during the Reporting Period to extend its payment terms ranging from 1 to 24 months without any form of guarantees.

② Presentation items and carrying amounts

Items	Balance as at 31 December 2025
Accounts payable	1,174,242,588.50
Including: Amounts received by suppliers	265,083,263.82

③ Range of due dates

Range of due dates	Balance as at 31 December 2025
Within 6 months	864,827,147.41
6 months to 12 months	296,123,941.09
12 months to 24 months	13,291,500.00
Total	1,174,242,588.50

The carrying amounts of financial liabilities disclosed do not involve significant changes in the current period due to business mergers or exchange rate changes.

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

2. Sensitivity analysis

The Group adopts sensitivity analysis techniques to analyze how the profit or loss of the current period or shareholders' equity would be affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have a significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

(1) Sensitivity analysis of foreign exchange risk

The assumption for the sensitivity analysis of foreign exchange risk: all hedging of net investment in overseas operations and cash flow hedging is highly effective.

Based on the above assumption, with all other variables held constant, the after-tax impact of reasonable exchange rate fluctuations on profit or loss and equity for the period is as follows:

Items	Change in exchange rate	Effect on net profit	
		Current year	Prior year
All foreign currencies	**5% appreciation against RMB**	**32,080,616.74**	**45,378,449.79**
All foreign currencies	**5% depreciation against RMB**	**-32,080,616.74**	**-45,378,449.79**

(2) Sensitivity analysis of interest rate risk

Sensitivity analysis of interest rate risk is based on the following assumption:

Changes in market interest rates influence interest income or expenses of variable-rate financial instruments;

As for fixed-rate financial instruments measured at fair value, changes in market interest rates only influence interest income or expenses;

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

2. Sensitivity analysis (Continued)

(2) Sensitivity analysis of interest rate (Continued)

Changes in fair value of derivative financial instruments and other financial assets and liabilities are calculated by using cash flow discounting method in accordance with the market interest rates as at the balance sheet date.

Based on the above assumption, with all other variables held constant, the after-tax impact of reasonable changes in interest rates on profit or loss and equity for the period is as follows:

Items	Change in interest rate	Effect on net profit	
		Current year	Prior year
Floating-rate borrowings	Increase by 1%	-200,554,816.27	-183,427,526.92
Floating-rate borrowings	Decrease by 1%	200,554,816.27	183,427,526.92

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

3. Hedging business

Items	Corresponding risk management strategies and objectives	Qualitative and quantitative information on hedged risk	Economic relationship between the hedged item and the related hedging instrument	Effective realization of expected risk management objectives	Impact of corresponding hedging activities on risk exposure
Cash flow hedges – futures contracts	In order to avoid potential risks caused by price fluctuations of industrial silicon and polysilicon to the expected production and operation, and to reduce fluctuations in operating cash flow due to the price fluctuations of industrial silicon and polysilicon	The hedged risk is the price fluctuation risk of industrial silicon and polysilicon	Futures contracts and industrial silicon and polysilicon that are expected to be purchased and sold move in opposite directions due to the same price fluctuation risk	The Group has established a hedging related internal control system and continuously tracks the hedging business to ensure the realization of the expected risk management objectives	By carrying out hedging business, the Company can fully utilize the hedging function of futures and derivatives markets to avoid the risk of price fluctuations caused by commodity and foreign exchange price fluctuations, and to reduce its impact on the normal operation of the Group
Cash flow hedges – foreign exchange forward contracts	Use of forward foreign exchange contracts to manage the Company's foreign exchange exposure on prospective sales settled in U.S. dollars	Exposure to foreign exchange risk on prospective sales settled in U.S. dollars	Prospective sales settled in U.S. dollars are in the same foreign currency as the corresponding foreign currency in the forward foreign exchange contracts, and the underlying variable for both the hedging instrument and the hedged item is the U.S. dollar exchange rate		

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

4. Transfer of financial assets

(1) Classification of transfer method

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	Derecognition	Basis for determining derecognition
Note endorsement/ note discounted	Notes receivable	86,830,437.13	Not derecognized	Retain substantially all risks and rewards, including associated default risks
Note endorsement/ note discounted	Receivables financing	322,504,354.57	Derecognized	Transfer substantially all risks and rewards
Factoring	Accounts receivable	789,329,329.13	Derecognized	Transfer substantially all risks and rewards
Total	—	1,198,664,120.83	—	—

(2) The financial assets derecognized as a result of the transfer

Items	Method for transferring financial assets	Amount of derecognized financial assets	Profit or loss related to derecognition
Notes receivable	Note endorsement/ note discounted	322,504,354.57	-1,284,648.62
Accounts receivable	Factoring	789,329,329.13	-43,664,531.88
Total	—	1,111,833,683.70	-44,949,180.50

XI. DISCLOSURE OF FAIR VALUE

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 following methods and assumptions are used to estimate the fair values:

The fair value of monetary capital, notes receivable, accounts receivable, receivables financing, notes payable and accounts payable are equal to their carrying amount due to the short remaining terms.

For non-public listed held-to-maturity investments, long-term receivables, long and short-term borrowings, bonds payable, etc., future cash flow discounting method is used to determine their fair value, the market yield of other financial instruments with substantially identical contractual clauses and characteristics are used as discount rate.

For financial instruments that are public-listed, market quoted prices are used to determine their fair value.

Fair value measurements of the Company are divided into the following levels:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the company can access at the measurement date;

Level 2 inputs are inputs other than Level 1 inputs that are observable for the relevant asset or liability, either directly or indirectly;

Level 3 inputs are unobservable inputs for a relevant asset or liability. Level 3 inputs include interest rates that are neither directly observable nor verifiable from observable market data, stock volatility, future cash flows from dismantle obligations in business combinations and financial projections made from the entity's internal data, etc.

XI. DISCLOSURE OF FAIR VALUE (Continued)

1. Fair value of assets and liabilities measured at fair value at the end of the year

Items	Fair value at the end of the year			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Continuous fair value measurement	–	–	–	–
(I) Financial assets held for trading	0.00	30,836,685.95	54,110,364.14	84,947,050.09
(1) Investments in debt instruments	0.00	0.00	0.00	0.00
(2) Investments in equity instruments	0.00	0.00	54,110,364.14	54,110,364.14
(3) Derivative financial instruments	0.00	24,060,104.84	0.00	24,060,104.84
(4) Bank structured deposit	0.00	6,776,581.11	0.00	6,776,581.11
(II) Receivables financing	0.00	0.00	1,103,918,158.70	1,103,918,158.70
(III) Other debt investments	0.00	0.00	0.00	0.00
(IV) Other equity instrument investments	0.00	0.00	131,796,295.80	131,796,295.80
Total assets continuously measured at fair value	0.00	30,836,685.95	1,289,824,818.64	1,320,661,504.59
(I) Financial liabilities held for trading	0.00	7,488,887.79	0.00	7,488,887.79
Total liabilities continuously measured at fair value	0.00	7,488,887.79	0.00	7,488,887.79

2. Valuation techniques and qualitative and quantitative information of important parameters adopted for items of continuous and non-continuous Level 2 fair value measurement

The Group's derivative financial assets and liabilities are mainly forward foreign exchange contracts. The fair value is determined based on the difference between the bank's foreign exchange settlement quotation and the agreed delivery rate on the balance sheet date.

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS

1. Relationship with related parties

(1) Controlling shareholder and ultimate controlling party

1) Controlling shareholder and ultimate controlling party

Name of controlling shareholder	Registration place	Business	Registered Business capital (RMB10,000)	Proportion of shareholding in the Company (%)	Proportion of voting right in the Company (%)
TBEA Co., Ltd.	Xinjiang Changji	Production and sales	505,279.26	66.61	66.61

Name of controlling shareholder and ultimate controlling party	Type	Legal representative	Unified Social Credit Identifier
TBEA Co., Ltd.	Other joint stock company (listed)	Zhang Xin	91650000299201121Q

Zhang Xin holds a total of 72.69% of the shares of the Company through Xinjiang Tebian Group Co., Ltd. (新疆特變電工集團有限公司), TBEA Co., Ltd. (特變電工股份有限公司), Xinjiang Far Excellence Enterprise Management Consulting Co., Ltd. (新疆遠卓企業管理諮詢有限公司) and TBEA (Hong Kong) Co., Ltd. (特變電工(香港)有限公司) and is the de facto controller of the Company.

2) Registered capital of controlling shareholder and the changes

Controlling shareholder	Opening balance	Increase in current year	Decrease in current year	Closing balance
TBEA Co., Ltd.	5,052,792,571.00	0.00	0.00	**5,052,792,571.00**

3) Shares or equity interest held by controlling shareholder and the changes

Proportion of shareholding	Amount of shareholding		Proportion of shareholding (%)	
	Closing balance	Opening balance	Closing balance	Opening balance
TBEA Co., Ltd.	**952,449,361.00**	922,509,361.00	**66.61**	64.52

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

1. Relationship with related parties (Continued)

(2) Information on the Company's subsidiaries

Details of subsidiaries are set out in Note "VIII. 1. (1) Structure of the Group".

(3) Information on the Company's joint ventures and associates

For details of the Company's significant joint ventures or associates, please refer to the relevant content in Note "VIII. 3. (1) Significant joint ventures or associates".

The details of other joint ventures or associates that have entered into related-party transactions with the Company during the current year, or that have balances arising from related-party transactions with the Company in prior periods, are as follows:

Name of joint venture or associate with operations and transactions with the Company	Relationship with the Company
Jeminay Xinte Wind Power Co., Ltd. (吉木乃新特風電有限公司)	Associate
Wuling Jiangyong Electric Power Co., Ltd. (五凌江永電力有限公司)	Associate
Jiangyong Shenghua Energy Development Co., Ltd. (江永晟華能源開發有限公司)	Associate
Jiangyong Clean Energy Development Co., Ltd. (江永清潔能源開發有限公司)	Associate
Daoxian Clean Energy Development Co., Ltd. (道縣清潔能源開發有限公司)	Associate
Wujiaqu TBEA PV Power Technology Co., Ltd. (五家渠特變電工光電科技有限責任公司)	Associate
Turpan TBEA New Energy Co., Ltd. (吐魯番特變電工新能源有限公司)	Associate
Wujiaqu Xinte Energy Co., Ltd. (五家渠新特能源有限責任公司)	Associate
China Energy Xinjiang Ganquanpu Integrated Energy Co., Ltd. (國能新疆甘泉堡綜合能源有限公司)	Associate
Jiangyong Xinfeng New Energy Development Co., Ltd. (江永鑫風新能源開發有限公司)	Associate
Xinjiang Zhunneng Investment Co., Ltd. (新疆准能投資有限公司)	Associate
Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	Associate
Huaxiang (Hongdong) New Energy Technology Co., Ltd. (華翔(洪洞)新能源科技有限公司)	Associate, transferred in December 2025

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

1. Relationship with related parties (Continued)

(4) Other related parties

Name of related party with operations and transactions with the Company	Relationship with the Company
Xinjiang Joinworld Co., Ltd. (新疆眾和股份有限公司)	Enterprise controlled by the controlling shareholder
Xinjiang TBEA Loulan New Material Technology Co., Ltd. (新疆特變電工樓蘭新材料技術有限公司)	Enterprise controlled by the controlling shareholder
Chongren County Huafeng Power Generation Co., Ltd. (崇仁縣華風發電有限公司)	Enterprise controlled by the controlling shareholder
Xintai Guanghua PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司)	Enterprise controlled by the controlling shareholder
Nanjing Electric Power Research and Automation Co., Ltd. (南京電研電力自動化股份有限公司)	Enterprise controlled by the controlling shareholder
TBEA Jing-Jin-Ji Intelligence Technology Co., Ltd. (特變電工京津冀智能科技有限公司)	Enterprise controlled by the controlling shareholder
Wuqi County Huaguang New Energy Co., Ltd. (吳起縣華光新能源有限公司)	Enterprise controlled by the controlling shareholder
Urumqi Zhongrong Electronic Material Technology Co., Ltd. (烏魯木齊眾榮電子材料科技有限公司)	Enterprise controlled by the controlling shareholder
Shihezi Zhonghe New Materials Co., Ltd (石河子眾和新材料有限公司)	Enterprise controlled by the controlling shareholder
TBEA Technology Investment Co., Ltd. (特變電工科技投資有限公司)	Enterprise controlled by the controlling shareholder
Xinjiang Tianchi Energy Co., Ltd. (新疆天池能源有限責任公司)	Enterprise controlled by the controlling shareholder
TBEA Hunan International Logistics Technology Co., Ltd. (特變電工湖南國際物流科技有限公司)	Enterprise controlled by the controlling shareholder
TBEA (Tianjin) Intelligent Energy Management Co., Ltd (特變電工 (天津)智慧能源管理有限公司)	Enterprise controlled by the controlling shareholder
Xinjiang TBEA Automatic Control Equipment Co., Ltd. (新疆特變電工自控設備有限公司)	Enterprise controlled by the controlling shareholder
TBEA Shenyang Transformer Group Co., Ltd. (特變電工瀋陽變壓器集團有限公司)	Enterprise controlled by the controlling shareholder
Xinjiang Changji TBEA Energy Co., Ltd. (新疆昌吉特變能源有限責任公司)	Enterprise controlled by the controlling shareholder
TBEA (Hunan) Energy Construction Co., Ltd. (特變電工(湖南)能源建設有限公司)	Enterprise controlled by the controlling shareholder
TBEA Xinjiang Cable Co., Ltd. (特變電工新疆電纜有限公司)	Enterprise controlled by the controlling shareholder
Xinjiang Zhunneng Chemical Co., Ltd. (新疆准能化工有限公司)	Enterprise controlled by the controlling shareholder
TBEA Xinjiang Electrical Engineering Materials Co., Ltd. (特變電工新疆電工材料有限公司)	Enterprise controlled by the controlling shareholder

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

1. Relationship with related parties (Continued)

(4) Other related parties (Continued)

Name of related party with operations and transactions with the Company	Relationship with the Company
TBEA International Engineering Co., Ltd. (特變電工國際工程有限公司)	Enterprise controlled by the controlling shareholder
Liaoning Hanwei International Logistics Co., Ltd. (遼寧漢威國際物流有限公司)	Enterprise controlled by the controlling shareholder
TBEA Hunan Electrical Power and Equipment Co., Ltd. (特變電工湖南電氣有限公司)	Enterprise controlled by the controlling shareholder
TBEA Shandong Luneng Taishan Cable Co., Ltd. (特變電工山東魯能泰山電纜有限公司)	Enterprise controlled by the controlling shareholder
Xinjiang Tianchi Energy Sales Co., Ltd. (新疆天池能源銷售有限公司)	Enterprise controlled by the controlling shareholder
Tianjin TBEA Transformer Co., Ltd. (天津市特變電工變壓器有限公司)	Enterprise controlled by the controlling shareholder
TBEA Xinjiang Energy Co., Ltd. (特變電工新疆能源有限公司)	Enterprise controlled by the controlling shareholder
TBEA (Deyang) Cable Co., Ltd. (特變電工(德陽)電纜股份有限公司)	Enterprise controlled by the controlling shareholder
Tianjin Sanyang Silu Commercial Factoring Co., Ltd. (天津三陽絲路商業保理有限公司)	Enterprise controlled by the controlling shareholder
TBEA Yunji Electrical Power and Equipment Co., Ltd. (特變電工雲集電氣有限公司)	Enterprise controlled by the controlling shareholder
TBEA Yunji High-voltage Switch Co., Ltd. (特變電工雲集高壓開關有限公司)	Enterprise controlled by the controlling shareholder
TBEA Shenyang Electric Power Survey & Design Co., Ltd. (特變電工瀋陽電力勘測設計有限公司)	Enterprise controlled by the controlling shareholder
TBEA Heng-yang Transformer Co., Ltd. (特變電工衡陽變壓器有限公司)	Enterprise controlled by the controlling shareholder
Xinjiang TBEA Electrical Industry Cultural Tourism Co., Ltd. (新疆特變電工工業文化旅遊有限責任公司)	Enterprise controlled by the controlling shareholder
Changji Hui Autonomous Prefecture TBEA Employee Training Center (昌吉回族自治州特變電工職業培訓中心)	Enterprise controlled by the controlling shareholder
Xinjiang TBEA Shared Financial Services Co., Ltd. (新疆特變電工共享財務服務有限公司)	Enterprise controlled by the controlling shareholder
TBEA Supply Chain Management Co., Ltd. (特變電工供應鏈管理有限公司)	Enterprise controlled by the controlling shareholder

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

1. Relationship with related parties (Continued)

(4) Other related parties (Continued)

Name of related party with operations and transactions with the Company	Relationship with the Company
Xinjiang Xuelian Lake Hotel Management Co., Ltd. (新疆雪蓮湖酒店管理有限公司)	Enterprise controlled by the controlling shareholder
TBEA Nanjing Intelligent Electrical Power and Equipment Co., Ltd. (特變電工南京智能電氣有限公司)	Enterprise controlled by the controlling shareholder
TBEA Group Finance Co., Ltd. (特變電工集團財務有限公司)	Enterprise controlled by the controlling shareholder
TBEA Kangjia (Shenyang) Transformer Co., Ltd. (特變電工康嘉(瀋陽)互感器有限責任公司)	Enterprise controlled by the controlling shareholder
TBEA Zhongfa Shanghai Highvoltage Switch Co., Ltd. (特變電工中發上海高壓開關有限公司)	Enterprise controlled by the controlling shareholder
Urumqi Mingrui Guangsheng Power Co., Ltd. (烏魯木齊明瑞廣晟發電有限公司)	Enterprise controlled by the controlling shareholder
Amaliya Hydropower Development Co., Ltd. (阿瑪利亞水電開發股份有限公司)	Enterprise controlled by the controlling shareholder
Herong Electrical Co., Ltd. (合容電氣股份有限公司)	Enterprise controlled by the controlling shareholder
Hunan Aite New Energy Technology Co., Ltd. (湖南艾特新能源科技有限公司)	Enterprise controlled by the controlling shareholder
TBEA (Tianjin) Property Management Co., Ltd. (特變電工 (天津) 物業管理有限公司)	Enterprise controlled by the controlling shareholder
TBEA Electrical Equipment Group Co., Ltd. (特變電工電氣裝備集團有限公司)	Enterprise controlled by the controlling shareholder
TBEA Xiongan Technology Co., Ltd. (特變電工雄安科技有限公司)	Enterprise controlled by the controlling shareholder
Xi'an Herong Electrical Equipment Co., Ltd. (西安合容電力設備有限公司)	Enterprise controlled by the controlling shareholder
Xi'An Herong Switch Co., Ltd. (西安合容開關有限公司)	Enterprise controlled by the controlling shareholder
Northwest Electric Wire and Cable Testing Center Co., Ltd. (西北電線電纜檢測中心有限公司)	Enterprise controlled by the controlling shareholder
Xinjiang Zhongsilu Trading Co., Ltd. (新疆中絲路商貿有限責任公司)	Enterprise controlled by the controlling shareholder
Zhuobin Co., Ltd. (卓賓有限責任公司)	Enterprise controlled by directors of the Company

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

1. Relationship with related parties (Continued)

(4) Other related parties (Continued)

Name of related party with operations and transactions with the Company	Relationship with the Company
Inner Mongolia TBEA Energy Equipment Co., Ltd. (內蒙古特變電工能源裝備有限公司)	Enterprise controlled by directors of the Company
Zhongsilu Construction Investment Group Co., Ltd. (中絲路建設投資集團有限公司)	Enterprise controlled by directors of the Company
TBEA Group (Tianjin) New Energy Technology Co., Ltd. (特變電工集團 (天津) 新能源科技有限公司)	Enterprise controlled by directors of the Company
Xinjiang Zhongsilu New Materials Co., Ltd. (新疆中絲路新材料有限公司)	Enterprise controlled by directors of the Company
Zhongjiang Logistics Co., Ltd. (中疆物流有限責任公司)	Enterprise controlled by directors of the Company
Zhongjiang Logistics Fukang Co., Ltd. (中疆物流阜康有限公司)	Enterprise controlled by directors of the Company
Xinjiang TBEA International Package Services Co., Ltd. (新疆特變電工國際成套工程承包有限公司)	Enterprise controlled by directors of the Company
TBEA (Shenyang) Electrical Technology Co., Ltd. (特變電工(瀋陽)電氣科技有限公司)	Enterprise controlled by directors of the Company
Zhongsilu Design & Consulting Co., Ltd. (中絲路設計諮詢有限公司)	Enterprise controlled by directors of the Company
Xinjiang Changte Power Transmission and Transformation Devices Co., Ltd. (新疆昌特輸變電配件有限公司)	Enterprise controlled by directors of the Company
Xinjiang Tebian Group Logistics Co., Ltd. (新疆特變電工集團物流有限公司)	Enterprise controlled by directors of the Company
Hunan Guochuang Power Co., Ltd. (湖南省國創電力有限公司)	Enterprise controlled by directors of the Company
TBEA Electrical Zanbiya Co., Ltd. (特變電工電氣贊比亞有限公司)	Enterprise controlled by directors of the Company
TBEA Jing-Jin-Ji Real Estate Co., Ltd. (特變電工京津冀置業有限公司)	Enterprise controlled by directors of the Company
Xinjiang TBEA Energy Equipment Co., Ltd. (新疆特變電工能源裝備有限公司)	Enterprise controlled by directors of the Company
Xinjiang Xingfu Yijia Kangyang Services Co., Ltd. (新疆幸福誼家康養服務有限公司)	Enterprise controlled by directors of the Company, transferred in April 2025
Xinjiang Tebian Group Co., Ltd. (新疆特變電工集團有限公司)	Controlled by the de facto controller
Urumqi Xinte Power Generation Co., Ltd. (烏魯木齊新特發電有限責任公司)	Party of other relationship
Tumxuk Hengrunjin Power Technology Co., Ltd. (圖木舒克恒潤金電力科技有限公司)	Party of other relationship
China Radio and Television Xinjiang Network Co., Ltd. (中國廣電新疆網絡股份有限公司)	Party of other relationship
Xinjiang Communications Construction Group Co., Ltd. (新疆交通建設集團股份有限公司)	Party of other relationship
Changji Gurbantunggut Desert Base New Energy Development Co., Ltd. (昌吉古爾班通古特沙漠基地新能源開發有限公司)	Party of other relationship
Guyang County Changlan Wind Power Co., Ltd. (固陽縣長嵐風力發電有限公司)	Party of other relationship

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

2. Related-party transactions

(1) Related-party transactions of purchase and sale of goods and the provision and acceptance of services

1) Purchase of goods/acceptance of services

Related parties	Content of the related-party transaction	Amount recognized in current year	Amount recognized in previous year
TBEA International Engineering Co., Ltd. (特變電工國際工程有限公司)	Procurement of construction and installation services	619,971,840.20	65,521,766.56
Xinjiang Tianchi Energy Co., Ltd. (新疆天池能源有限責任公司)	Procurement of energy and logistics services	303,028,005.01	2,830,188.68
Xinjiang TBEA Energy Equipment Co., Ltd. (新疆特變電工能源裝備有限公司)	Equipment procurement	299,357,519.48	0.00
TBEA Co., Ltd. (特變電工股份有限公司)	Procurement of equipment, materials and others	167,066,149.89	167,148,112.67
Tianjin TBEA Transformer Co., Ltd. (天津市特變電工變壓器有限公司)	Procurement of equipment, materials and others	125,668,298.23	127,869,212.84
Xinjiang TBEA International Package Services Co., Ltd. (新疆特變電工國際成套工程承包有限公司)	Procurement of construction and installation services	92,169,823.82	153,729,293.74
TBEA Xinjiang Energy Co., Ltd. (特變電工新疆能源有限公司)	Energy procurement	78,852,308.23	117,944,904.18
Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	Energy procurement	54,120,441.83	209,721,900.92
Nanjing Electric Power Research and Automation Co., Ltd. (南京電研電力自動化股份有限公司)	Procurement of equipment, materials and others	51,443,507.43	109,549,745.80
Daoxian Clean Energy Development Co., Ltd. (道縣清潔能源開發有限公司)	Procurement of construction and installation services	46,057,190.18	0.00
TBEA Jing-Jin-Ji Intelligence Technology Co., Ltd. (特變電工京津冀智能科技有限公司)	Procurement of equipment and materials	37,110,791.25	143,883,823.12
TBEA Shandong Luneng Taishan Cable Co., Ltd. (特變電工山東魯能泰山電纜有限公司)	Procurement of equipment and materials	36,311,264.95	15,596,340.17
Tianjin Sanyang Silu Commercial Factoring Co., Ltd. (天津三陽絲路商業保理有限公司)	Factoring services	33,862,081.07	246,162.21
TBEA Xinjiang Cable Co., Ltd. (特變電工新疆電纜有限公司)	Procurement of equipment, materials and others	29,939,285.86	91,411,095.02
Zhongsilu Construction Investment Group Co., Ltd. (中絲路建設投資集團有限公司)	Procurement of construction and installation services	28,154,998.57	2,737,445.15
TBEA (Deyang) Cable Co., Ltd. (特變電工(德陽)電纜股份有限公司)	Equipment procurement	25,964,141.00	34,096,188.97
TBEA Shenyang Electric Power Survey & Design Co., Ltd. (特變電工瀋陽電力勘測設計有限公司)	Procurement of design services and others	24,236,403.37	12,686,329.80

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

2. Related-party transactions (Continued)

(1) Related-party transactions of purchase and sale of goods and the provision and acceptance of services (Continued)

1) Purchase of goods/acceptance of services (Continued)

Related parties	Content of the related-party transaction	Amount recognized in current year	Amount recognized in previous year
TBEA Technology Investment Co., Ltd. (特變電工科技投資有限公司)	Procurement of materials and others	23,374,467.73	10,794,321.58
TBEA Yunji High-voltage Switch Co., Ltd. (特變電工雲集高壓開關有限公司)	Equipment procurement	9,271,681.41	16,140,902.66
Jiangyong Clean Energy Development Co., Ltd. (江永清潔能源開發有限公司)	Procurement of construction and installation services	8,772,180.51	0.00
TBEA Heng-yang Transformer Co., Ltd. (特變電工衡陽變壓器有限公司)	Equipment procurement	8,672,566.37	8,125,743.36
TBEA Electrical Zanbiya Co., Ltd. (特變電工電氣贊比亞有限公司)	Other purchases	8,250,000.00	0.00
Xinjiang Tianchi Energy Sales Co., Ltd. (新疆天池能源銷售有限公司)	Energy procurement	6,254,297.75	289,590,012.77
Xi'An Herong Switch Co., Ltd. (西安合容開關有限公司)	Equipment procurement	4,496,121.99	0.00
TBEA Yunji Electrical Power and Equipment Co., Ltd. (特變電工雲集電氣有限公司)	Equipment procurement	4,396,944.51	21,950,200.00
TBEA (Shenyang) Electrical Technology Co., Ltd. (特變電工(瀋陽)電氣科技有限公司)	Procurement of construction and installation services	2,918,755.47	68,188,011.70
TBEA (Tianjin) New Energy Technology Co., Ltd. (特變電工集團(天津)新能源科技有限公司)	Other purchases	2,735,641.56	0.00
Liaoning Hanwei International Logistics Co., Ltd. (遼寧漢威國際物流有限公司)	Logistics services	2,084,409.93	940,289.58
Xinjiang Zhongsilu Trading Co., Ltd. (新疆中絲路商貿有限責任公司)	Other purchases	1,691,520.48	6,034,215.90
Xi'an Herong Electrical Equipment Co., Ltd. (西安合容電力設備有限公司)	Equipment procurement	1,685,218.96	0.00
TBEA Hunan Electrical Power and Equipment Co., Ltd. (特變電工湖南電氣有限公司)	Procurement of equipment and materials	1,672,566.37	29,776,800.88

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

2. Related-party transactions (Continued)

(1) Related-party transactions of purchase and sale of goods and the provision and acceptance of services (Continued)

1) Purchase of goods/acceptance of services (Continued)

Related parties	Content of the related-party transaction	Amount recognized in current year	Amount recognized in previous year
TBEA Kangjia (Shenyang) Transformer Co., Ltd. (特變電工康嘉(瀋陽)互感器有限責任公司)	Equipment procurement	984,070.79	0.00
Herong Electrical Co., Ltd. (合容電氣股份有限公司)	Equipment procurement	881,283.17	0.00
Xinjiang TBEA Automatic Control Equipment Co., Ltd. (新疆特變電工自控設備有限公司)	Equipment procurement	790,199.10	17,946,581.17
Xinjiang Joinworld Co., Ltd. (新疆眾和股份有限公司)	Procurement of power and materials	768,453.89	11,307,288.01
Zhongjiang Logistics Co., Ltd. (中疆物流有限責任公司)	Other purchases	433,301.90	0.00
Xinjiang Tebian Group Co., Ltd. (新疆特變電工集團有限公司)	Equipment procurement	265,486.73	902,654.87
Xinjiang Xuelian Lake Hotel Management Co., Ltd. (新疆雪蓮湖酒店管理有限公司)	Other purchases	263,656.15	32,754.72
Xinjiang TBEA Shared Financial Services Co., Ltd. (新疆特變電工共享財務服務有限公司)	Other purchases	252,340.61	282,578.47
TBEA Supply Chain Management Co., Ltd. (特變電工供應鏈管理有限公司)	Other purchases	216,203.78	79,860.00
Changji Hui Autonomous Prefecture TBEA Employee Training Center (昌吉回族自治州特變電工職業培訓中心)	Other purchases	86,763.95	301,868.33

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

2. Related-party transactions (Continued)

(1) Related-party transactions of purchase and sale of goods and the provision and acceptance of services (Continued)

1) Purchase of goods/acceptance of services (Continued)

Related parties	Content of the related-party transaction	Amount recognized in current year	Amount recognized in previous year
TBEA Shenyang Transformer Group Co., Ltd. (特變電工瀋陽變壓器集團有限公司)	Procurement of equipment and construction and installation services	83,315.38	7,412,737.76
TBEA (Tianjin) Property Management Co., Ltd. (特變電工(天津)物業管理有限公司)	Other purchases	64,780.50	0.00
TBEA Jing-Jin-Ji Real Estate Co., Ltd. (特變電工京津冀置業有限公司)	Other purchases	41,670.64	0.00
Xinjiang TBEA Loulan New Material Technology Co., Ltd. (新疆特變電工樓蘭新材料技術有限公司)	Other purchases	24,770.61	42,452.83
TBEA Nanjing Intelligent Electrical Power and Equipment Co., Ltd. (特變電工南京智能電氣有限公司)	Maintenance service	23,274.33	11,132.07
Northwest Electric Wire and Cable Testing Center Co., Ltd. (西北電線電纜檢測中心有限公司)	Other purchases	8,035.40	0.00
Xinjiang Communications Construction Group Co., Ltd. (新疆交通建設集團股份有限公司)	Logistics services	2,942.97	4,978.00
Xinjiang Xingfu Yijia Kangyang Services Co., Ltd. (新疆幸福誼家康養服務有限公司)	Other purchases	1,305.76	0.00
Inner Mongolia TBEA Energy Equipment Co., Ltd. (內蒙古特變電工能源裝備有限公司)	Equipment procurement	0.00	277,563,973.48
TBEA (Tianjin) New Energy Technology Co., Ltd. (特變電工集團(天津)新能源科技有限公司)	Equipment procurement	0.00	151,300,193.77
TBEA Group Finance Co., Ltd. (特變電工集團財務有限公司)	Financial services	0.00	150.94
Total		2,144,782,279.07	2,173,702,212.68

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

2. Related-party transactions (Continued)

(2) Sales of goods/provision of services

Related parties	Content of the related-party transaction	Amount recognized in current year	Amount recognized in previous year
Guyang County Changlan Wind Power Co., Ltd. (固陽縣長嵐風力發電有限公司)	Power station construction	301,530,070.58	92,340,387.94
Changji Gurbantunggut Desert Base New Energy Development Co., Ltd. (昌吉古爾班通古特沙漠基地新能源開發有限公司)	Power station construction	195,129,616.64	0.00
Amaliya Hydropower Development Co., Ltd. (阿瑪利亞水電開發股份有限公司)	Power station construction	51,219,953.95	0.00
Jiangyong Shenghua Energy Development Co., Ltd. (江永晟華能源開發有限公司)	Power station construction	12,337,580.73	7,882,957.78
Xinjiang Joinworld Co., Ltd. (新疆眾和股份有限公司)	Sales of industrial water	7,943,923.19	31,842,811.17
Wuling Jiangyong Electric Power Co., Ltd. (五凌江永電力有限公司)	Power station construction	7,693,649.78	7,693,649.78
Jiangyong Xinfeng New Energy Development Co., Ltd. (江永鑫風新能源開發有限公司)	Power station construction	7,242,152.38	16,615,537.73
Jeminay Xinte Wind Power Co., Ltd. (吉木乃新特風電有限公司)	Power station construction	6,465,482.20	6,465,482.20
Jiangyong Clean Energy Development Co., Ltd. (江永清潔能源開發有限公司)	Power station construction	5,986,444.77	9,998,411.19
Chongren County Huafeng Power Generation Co., Ltd. (崇仁縣華風發電有限公司)	Operation and maintenance of power station	5,661,459.29	5,660,377.32
Daoxian Clean Energy Development Co., Ltd. (道縣清潔能源開發有限公司)	Power station construction	5,592,487.62	6,294,237.96
Xinjiang TBEA Loulan New Material Technology Co., Ltd. (新疆特變電工樓蘭新材料技術有限公司)	Power plant operation and maintenance, testing and technical services	4,172,711.98	21,445,266.40
Xintai Guanghua PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司)	Operation and maintenance of power station	3,773,584.96	3,773,584.95

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

2. Related-party transactions (Continued)

(2) Sales of goods/provision of services (Continued)

Related parties	Content of the related-party transaction	Amount recognized in current year	Amount recognized in previous year
Xinjiang Zhunneng Investment Co., Ltd. (新疆准能投資有限公司)	Rent, property management fees, water and electricity charges	3,703,306.06	6,198,796.70
Wuqi County Huaguang New Energy Co., Ltd. (吳起縣華光新能源有限公司)	Operation and maintenance of power station	2,075,471.69	2,075,471.68
TBEA (Tianjin) New Energy Technology Co., Ltd. (特變電工集團(天津)新能源科技有限公司)	Electrical equipment sales and consulting services	2,030,973.45	0.00
Xinjiang Tianchi Energy Co., Ltd. (新疆天池能源有限責任公司)	Testing services	1,815,227.83	470,381.30
Nanjing Electric Power Research and Automation Co., Ltd. (南京電研電力自動化股份有限公司)	Electrical equipment sales and consulting services	1,796,584.06	2,560,909.73
Xinjiang Zhunneng Chemical Co., Ltd. (新疆准能化工有限公司)	Testing services	943,895.59	7,547.17
Herong Electrical Co., Ltd. (合容電氣股份有限公司)	Electrical equipment sales and consulting services	794,131.26	0.00
TBEA International Engineering Co., Ltd. (特變電工國際工程有限公司)	Sales of materials	574,138.55	560.37
Zhongsilu Construction Investment Group Co., Ltd. (中絲路建設投資集團有限公司)	Sales of aerated blocks, water and electricity charges	563,265.61	689,864.82
Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	Information Services	297,103.97	1,345,075.53
TBEA (Hunan) Energy Construction Co., Ltd. (特變電工(湖南)能源建設有限公司)	Sales of electrical equipment	283,018.87	28,318.58
Hunan Aite New Energy Technology Co., Ltd. (湖南艾特新能源科技有限公司)	Electrical equipment sales and consulting services	250,884.96	0.00

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

2. Related-party transactions (Continued)

(2) Sales of goods/provision of services (Continued)

Related parties	Content of the related-party transaction	Amount recognized in current year	Amount recognized in previous year
TBEA Jing-Jin-Ji Intelligence Technology Co., Ltd. (特變電工京津冀智能科技有限公司)	Sales of electrical equipment	155,660.38	3,451,327.43
TBEA Electrical Equipment Group Co., Ltd. (特變電工電氣裝備集團有限公司)	Sales of materials	106,194.69	0.00
TBEA Shenyang Electric Power Survey & Design Co., Ltd. (特變電工瀋陽電力勘測設計有限公司)	Design and testing services	94,339.62	0.00
TBEA Co., Ltd. (特變電工股份有限公司)	Design and testing services	93,501.40	266,484.89
Xi'An Herong Switch Co., Ltd. (西安合容開關有限公司)	Other sales	33,867.92	0.00
TBEA Xiongan Technology Co., Ltd. (特變電工雄安科技有限公司)	Material sales	30,973.45	0.00
Xinjiang Changji TBEA Energy Co., Ltd. (新疆昌吉特變能源有限責任公司)	Testing services	30,253.26	50,185.89
Urumqi Zhongrong Electronic Material Technology Co., Ltd. (烏魯木齊眾榮電子材料科技有限公司)	Sales of industrial raw materials	14,822.30	777,869.38
TBEA Supply Chain Management Co., Ltd. (特變電工供應鏈管理有限公司)	Other sales	8,490.57	0.00
TBEA (Tianjin) Intelligent Energy Management Co., Ltd (特變電工 (天津)智慧能源管理有限公司)	Energy storage business	4,981.13	2,381,400.01
TBEA Technology Investment Co., Ltd. (特變電工科技投資有限公司)	Electrical equipment sales and design services	4,698.12	524,339.63
Xinjiang Tebian Group Co., Ltd. (新疆特變電工集團有限公司)	Technical services	1,454.72	232,783.02

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

2. Related-party transactions (Continued)

(2) Sales of goods/provision of services (Continued)

Related parties	Content of the related-party transaction	Amount recognized in current year	Amount recognized in previous year
Xinjiang TBEA Automatic Control Equipment Co., Ltd. (新疆特變電工自控設備有限公司)	Sales of industrial raw materials	685.85	77,121.41
Zhuobin Co., Ltd. * (卓賓有限責任公司)	Engineering construction and maintenance	0.00	12,906,663.34
Shihezi Zhonghe New Materials Co., Ltd (石河子眾和新材料有限公司)	Sales of industrial raw materials	0.00	551,946.90
TBEA (Tianjin) New Energy Technology Co., Ltd. (特變電工集團(天津)新能源科技有限公司)	Sales of electrical equipment	0.00	441,596.04
TBEA Hunan International Logistics Technology Co., Ltd. (特變電工湖南國際物流科技有限公司)	Sales of electrical equipment	0.00	211,061.95
Xinjiang Zhongsilu New Materials Co., Ltd. (新疆中絲路新材料有限公司)	Testing services	0.00	89,433.96
TBEA Shenyang Transformer Group Co., Ltd. (特變電工瀋陽變壓器集團有限公司)	Technical services	0.00	75,471.70
Hunan Guochuang Power Co., Ltd. (湖南省國創電力有限公司)	Material sales	0.00	26,345.13
TBEA Xinjiang Cable Co., Ltd. (特變電工新疆電纜有限公司)	Testing services	0.00	13,207.55
Zhongjiang Logistics Co., Ltd. (中疆物流有限責任公司)	Testing services	0.00	11,603.77
Zhongjiang Logistics Fukang Co., Ltd. (中疆物流阜康有限公司)	Testing services	0.00	9,339.62
TBEA Xinjiang Electrical Engineering Materials Co., Ltd. (特變電工新疆電工材料有限公司)	Transport services	0.00	1,886.79
		630,457,043.38	245,489,698.71

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

2. Related-party transactions (Continued)

(3) Related-party lease

1) As Leasor

Name of lessee	Type of leased assets	Rental income recognized in the current year	Rental income recognized in the previous year
Xinjiang Zhunneng Investment Co., Ltd. (新疆准能投資有限公司)	Buildings and structures	**1,693,228.02**	1,658,406.73
Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	Buildings and structures	**1,643,275.07**	1,234,998.70
Inner Mongolia TBEA Energy Equipment Co., Ltd. (內蒙古特變電工能源裝備有限公司)	Buildings and structures	**2,110,091.74**	2,110,091.74
Total		**5,446,594.83**	5,003,497.17

2) As Leasee

Nil.

(4) Related-party guarantee: Nil.

(5) Asset transfer and debt restructuring of related parties: Nil.

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

2. Related-party transactions (Continued)

(6) Remuneration of key management personnel

Item	Amount recognized in current year	Amount recognized in previous year
Total remuneration	23,588,085.48	23,802,779.95

(7) Other related-party transactions: Nil.

3. Balances due from and to related parties

(1) Receivables

Items	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other non-current assets	Xinjiang TBEA Energy Equipment Co., Ltd. (新疆特變電工能源裝備有限公司)	134,829,850.77	0.00	0.00	0.00
Prepayments	TBEA Co., Ltd. (特變電工股份有限公司)	49,316,829.01	0.00	0.00	0.00
Prepayments	TBEA International Engineering Co., Ltd. (特變電工國際工程有限公司)	7,524,652.22	0.00	0.00	0.00
Prepayments	Tianjin TBEA Transformer Co., Ltd. (天津市特變電工變壓器有限公司)	6,782,400.00	0.00	0.00	0.00
Prepayments	Xinjiang TBEA Automatic Control Equipment Co., Ltd. (新疆特變電工自控設備有限公司)	896,656.25	0.00	0.00	0.00
Prepayments	TBEA Kangjia (Shenyang) Transformer Co., Ltd. (特變電工康嘉(瀋陽)互感器有限責任公司)	190,000.00	0.00	0.00	0.00
Prepayments	TBEA Hunan Electrical Power and Equipment Co., Ltd. (特變電工湖南電氣有限公司)	163,000.00	0.00	0.00	0.00
Prepayments	Xinjiang Xuelian Lake Hotel Management Co., Ltd. (新疆雪蓮湖酒店管理有限公司)	100,000.00	0.00	0.00	0.00
Prepayments	Xinjiang Zhongsilu Trading Co., Ltd. (新疆中絲路商貿有限責任公司)	0.00	0.00	58,333.00	0.00

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

3. Balances due from and to related parties (Continued)

(1) Receivables (Continued)

Items	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Changji Gurbantunggut Desert Base New Energy Development Co., Ltd., Qitai Chenyu Branch (昌吉古爾班通古特沙漠基地新能源開發有限公司奇台辰羽分公司)	27,442,866.69	548,857.33	0.00	0.00
Accounts receivable	Jiangyong Clean Energy Development Co., Ltd. (江永清潔能源開發有限公司)	5,218,357.89	1,565,507.37	0.00	0.00
Accounts receivable	Jiangyong Shenghua Energy Development Co., Ltd. (江永晟華能源開發有限公司)	2,287,176.00	128,424.67	0.00	0.00
Accounts receivable	Tumxuk Hengrunjin Power Technology Co., Ltd. (圖木舒克恒潤金電力科技有限公司)	2,160,000.00	2,160,000.00	0.00	0.00
Accounts receivable	Nanjing Electric Power Research and Automation Co., Ltd. (南京電研電力自動化股份有限公司)	1,608,000.00	62,400.00	2,650,000.00	64,100.00
Accounts receivable	Xintai Guanghua PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司)	1,000,000.00	20,000.00	0.00	0.00
Accounts receivable	Xinjiang Zhunneng Investment Co., Ltd. (新疆准能投資有限公司)	565,817.03	11,316.34	0.00	0.00
Accounts receivable	Wuqi County Huaguang New Energy Co., Ltd. (吳起縣華光新能源有限公司)	550,000.02	11,000.00	0.00	0.00
Accounts receivable	Guyang County Changlan Wind Power Co., Ltd. (固陽縣長嵐風力發電有限公司)	480,215.00	9,604.30	0.00	0.00
Accounts receivable	Zhongsilu Construction Investment Group Co., Ltd. (中絲路建設投資集團有限公司)	181,617.87	3,632.35	0.00	0.00
Accounts receivable	TBEA Co., Ltd. (特變電工股份有限公司)	128,000.00	13,360.00	379,000.00	7,580.00

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

3. Balances due from and to related parties (Continued)

(1) Receivables (Continued)

Items	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	TBEA Technology Investment Co., Ltd. (特變電工科技投資有限公司)	49,280.99	985.62	1,235,000.00	61,750.00
Accounts receivable	TBEA Shenyang Transformer Group Co., Ltd. (特變電工瀋陽變壓器集團有限公司)	17,000.00	8,500.00	0.00	0.00
Accounts receivable	Xinjiang Joinworld Co., Ltd. (新疆眾和股份有限公司)	16,502.20	330.04	1,890,559.22	37,811.18
Accounts receivable	Daoxian Clean Energy Development Co., Ltd. (道縣清潔能源開發有限公司)	10,363.76	3,109.13	0.00	0.00
Accounts receivable	TBEA (Hunan) Energy Construction Co., Ltd. (特變電工(湖南)能源建設有限公司)	0.00	0.00	2,646,000.00	132,300.00
Accounts receivable	Zhuobin Co., Ltd. * (卓賓有限責任公司)	0.00	0.00	2,624,909.39	52,498.19
Accounts receivable	TBEA Jing-Jin-Ji Intelligence Technology Co., Ltd. (特變電工京津冀智能科技有限公司)	0.00	0.00	1,560,000.00	31,200.00
Accounts receivable	Xinjiang Tianchi Energy Co., Ltd. (新疆天池能源有限責任公司)	0.00	0.00	644,884.74	156,268.63
Accounts receivable	Xinjiang TBEA Loulan New Material Technology Co., Ltd. (新疆特變電工樓蘭新材料技術有限公司)	0.00	0.00	560,259.31	11,205.19
Accounts receivable	Xinjiang Changji TBEA Energy Co., Ltd. (新疆昌吉特變能源有限責任公司)	0.00	0.00	245,744.84	53,930.28
Accounts receivable	Urumqi Zhongrong Electronic Material Technology Co., Ltd. (烏魯木齊眾榮電子材料科技有限公司)	0.00	0.00	229,158.80	4,583.18
Accounts receivable	Xinjiang TBEA Group Co., Ltd. (新疆特變電工集團有限公司)	0.00	0.00	66,750.00	1,335.00
Accounts receivable	Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	0.00	0.00	60,947.60	1,218.95

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

3. Balances due from and to related parties (Continued)

(1) Receivables (Continued)

Items	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Contract assets	Xinjiang TBEA Loulan New Material Technology Co., Ltd. (新疆特變電工樓蘭新材料技術有限公司)	1,196,285.07	11,100.13	1,414,217.90	2,969.86
Contract assets	Xintai Guanghua PV Power Generation Co., Ltd. (新泰市光華光伏發電有限責任公司)	646,395.27	1,357.43	0.00	0.00
Contract assets	Zhuobin Co., Ltd. * (卓賓有限責任公司)	0.00	0.00	5,235,808.88	0.00
Contract assets	TBEA Shenyang Transformer Group Co., Ltd. (特變電工瀋陽變壓器集團有限公司)	0.00	0.00	566,320.00	169,896.00
Contract assets	TBEA Technology Investment Co., Ltd. (特變電工科技投資有限公司)	0.00	0.00	165,856.94	348.30
Contract assets	TBEA Co., Ltd. (特變電工股份有限公司)	0.00	0.00	60,000.00	3,000.00
Dividends receivable	Jiangyong Shenghua Energy Development Co., Ltd. (江永晟華能源開發有限公司)	26,004,490.26	0.00	26,004,490.26	0.00
Dividends receivable	Wuling Jiangyong Power Co., Ltd. (五凌江永電力有限公司)	17,267,200.00	0.00	23,408,614.25	0.00
Dividends receivable	Daoxian Clean Energy Development Co., Ltd. (道縣清潔能源開發有限公司)	9,541,081.55	0.00	14,281,884.40	0.00
Dividends receivable	Turpan TBEA New Energy Co., Ltd. (吐魯番特變電工新能源有限公司)	8,450,692.22	0.00	8,450,692.22	0.00
Dividends receivable	Wujiaqu Xinte Energy Co., Ltd. (五家渠新特能源有限責任公司)	5,458,053.28	0.00	1,718,764.69	0.00
Dividends receivable	Jiangyong Clean Energy Development Co., Ltd. (江永清潔能源開發有限公司)	3,796,496.83	0.00	13,045,121.44	0.00
Dividends receivable	Sichuan Ganzi Datang International New Energy Co., Ltd. (四川甘孜大唐國際新能源有限責任公司)	0.00	0.00	1,542,082.78	0.00

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

3. Balances due from and to related parties (Continued)

(1) Receivables (Continued)

Items	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Dividends receivable	Wujiaqu TBEA PV Power Technology Co., Ltd. (五家渠特變電工光電科技有限責任公司)	0.00	0.00	790,536.72	0.00
Other receivables	TBEA Supply Chain Management Co., Ltd. (特變電工供應鏈管理有限公司)	65,000.00	1,300.00	0.00	0.00
Other receivables	TBEA Co., Ltd. (特變電工股份有限公司)	14,703.81	294.08	31,463.02	1,573.15
Other receivables	Xinjiang Joinworld Co., Ltd. (新疆眾和股份有限公司)	0.00	0.00	10,000.00	200.00
Other non-current assets	TBEA Co., Ltd. (特變電工股份有限公司)	0.00	0.00	14,780,000.00	0.00
Other non-current assets	TBEA Yunji High-voltage Switch Co., Ltd. (特變電工雲集高壓開關有限公司)	0.00	0.00	2,649,557.52	0.00
Total		**313,958,983.99**	**4,561,078.79**	129,006,957.92	793,767.91

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

3. Balances due from and to related parties (Continued)

(2) Payables

Items	Related party	Book balance at the end of the year	Book balance at the beginning of the year
Short-term borrowings	TBEA Group Finance Co., Ltd. (特變電工集團財務有限公司)	**477,100,194.59**	0.00
Accounts payable	Tianjin Sanyang Silu Commercial Factoring Co., Ltd. (天津三陽絲路商業保理有限公司)	**435,501,193.26**	1,110,893,159.64
Accounts payable	TBEA International Engineering Co., Ltd. (特變電工國際工程有限公司)	**226,978,789.64**	97,245,593.86
Accounts payable	Zhongsilu Construction Investment Group Co., Ltd. (中絲路建設投資集團有限公司)	**160,073,392.59**	149,848,909.36
Accounts payable	Tianjin TBEA Transformer Co., Ltd. (天津市特變電工變壓器有限公司)	**82,300,602.02**	6,672,530.31
Accounts payable	Xinjiang TBEA International Package Services Co., Ltd. (新疆特變電工國際成套工程承包有限公司)	**70,491,642.79**	82,841,502.35
Accounts payable	Nanjing Electric Power Research and Automation Co., Ltd. (南京電研電力自動化股份有限公司)	**46,903,129.67**	49,167,816.24
Accounts payable	TBEA Co., Ltd. (特變電工股份有限公司)	**43,204,506.10**	22,382,848.85
Accounts payable	TBEA Jing-Jin-Ji Intelligence Technology Co., Ltd. (特變電工京津冀智能科技有限公司)	**30,886,136.69**	0.00
Accounts payable	TBEA (Shenyang) Electrical Technology Co., Ltd. (特變電工(瀋陽)電氣科技有限公司)	**29,367,207.68**	38,771,051.08
Accounts payable	TBEA Yunji Electrical Power and Equipment Co., Ltd. (特變電工雲集電氣有限公司)	**27,716,868.96**	9,744,490.39
Accounts payable	Inner Mongolia TBEA Energy Equipment Co., Ltd. (內蒙古特變電工能源裝備有限公司)	**14,669,988.85**	46,763,554.65

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

3. Balances due from and to related parties (Continued)

(2) Payables (Continued)

Items	Related party	Book balance at the end of the year	Book balance at the beginning of the year
Accounts payable	TBEA (Deyang) Cable Co., Ltd. (特變電工(德陽)電纜股份有限公司)	10,005,960.77	0.01
Accounts payable	TBEA Xinjiang Energy Co., Ltd. (特變電工新疆能源有限公司)	8,783,854.32	10,030,391.20
Accounts payable	TBEA Electrical Zanbiya Co., Ltd. (特變電工電氣贊比亞有限公司)	8,250,000.00	0.00
Accounts payable	TBEA Heng-yang Transformer Co., Ltd. (特變電工衡陽變壓器有限公司)	7,291,625.69	0.00
Accounts payable	TBEA Shandong Luneng Taishan Cable Co., Ltd. (特變電工山東魯能泰山電纜有限公司)	6,686,195.13	2,683,996.14
Accounts payable	TBEA Xinjiang Cable Co., Ltd. (特變電工新疆電纜有限公司)	5,822,518.97	0.02
Accounts payable	TBEA Yunji High-voltage Switch Co., Ltd. (特變電工雲集高壓開關有限公司)	5,601,700.00	1,785,000.00
Accounts payable	TBEA Hunan Electrical Power and Equipment Co., Ltd. (特變電工湖南電氣有限公司)	4,773,528.00	12,357,813.99
Accounts payable	Xinjiang Joinworld Co., Ltd. (新疆眾和股份有限公司)	4,223,198.70	5,775,484.16
Accounts payable	TBEA Technology Investment Co., Ltd. (特變電工科技投資有限公司)	3,388,562.25	3,400,791.23
Accounts payable	Xinjiang TBEA Energy Equipment Co., Ltd. (新疆特變電工能源裝備有限公司)	3,208,040.39	0.00
Accounts payable	Xinjiang Tianchi Energy Co., Ltd. (新疆天池能源有限責任公司)	2,988,267.78	0.00
Accounts payable	Zhongsilu Design & Consulting Co., Ltd. (中絲路設計諮詢有限公司)	1,869,978.38	2,990,733.10
Accounts payable	Xi'an Herong Electrical Equipment Co., Ltd. (西安合容電力設備有限公司)	1,754,706.85	0.00
Accounts payable	Xi'An Herong Switch Co., Ltd. (西安合容開關有限公司)	1,612,247.13	0.00

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

3. Balances due from and to related parties (Continued)

(2) Payables (Continued)

Items	Related party	Book balance at the end of the year	Book balance at the beginning of the year
Accounts payable	TBEA Group (Tianjin) New Energy Technology Co., Ltd. (特變電工集團 (天津) 新能源科技有限公司)	**1,598,225.05**	3,850,251.86
Accounts payable	TBEA Shenyang Transformer Group Co., Ltd. (特變電工瀋陽變壓器集團有限公司)	**1,564,100.00**	3,110,600.00
Accounts payable	Zhongjiang Logistics Co., Ltd. (中疆物流有限責任公司)	**1,542,960.00**	1,500,000.00
Accounts payable	Herong Electrical Co., Ltd. (合容電氣股份有限公司)	**990,000.00**	0.00
Accounts payable	Xinjiang Zhunneng Chemical Co., Ltd. (新疆准能化工有限公司)	**928,211.21**	0.00
Accounts payable	TBEA Zhongfa Shanghai Highvoltage Switch Co., Ltd. (特變電工中發上海高壓開關有限公司)	**699,050.00**	0.00
Accounts payable	Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	**676,901.51**	676,901.51
Accounts payable	Xinjiang Changte Power Transmission and Transformation Devices Co., Ltd. (新疆昌特輸變電配件有限公司)	**617,904.46**	617,904.46
Accounts payable	Xinjiang Tebian Group Co., Ltd. (新疆特變電工集團有限公司)	**382,000.00**	162,000.00
Accounts payable	Changji Hui Autonomous Prefecture TBEA Employee Training Center (昌吉回族自治州特變電工職業培訓中心)	**277,406.71**	248,568.58
Accounts payable	Xinjiang TBEA Automatic Control Equipment Co., Ltd. (新疆特變電工自控設備有限公司)	**241,151.54**	494,156.45

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

3. Balances due from and to related parties (Continued)

(2) Payables (Continued)

Items	Related party	Book balance at the end of the year	Book balance at the beginning of the year
Accounts payable	TBEA Shenyang Electric Power Survey & Design Co., Ltd. (特變電工瀋陽電力勘測設計有限公司)	130,138.82	861,058.58
Accounts payable	TBEA Kangjia (Shenyang) Transformer Co., Ltd. (特變電工康嘉(瀋陽)互感器有限責任公司)	111,200.00	0.00
Accounts payable	Xinjiang Zhongsilu Trading Co., Ltd. (新疆中絲路商貿有限責任公司)	88,446.36	0.00
Accounts payable	Xinjiang Communications Construction Group Co., Ltd. (新疆交通建設集團股份有限公司)	7,920.97	4,978.00
Accounts payable	Xinjiang Tebian Group Logistics Co., Ltd. (新疆特變電工集團物流有限公司)	777.27	777.27
Accounts payable	TBEA (Tianjin) Property Management Co., Ltd. (特變電工 (天津) 物業管理有限公司)	477.30	0.00
Accounts payable	TBEA Group Finance Co., Ltd. (特變電工集團財務有限公司)	160.00	160.00
Accounts payable	Xinjiang Tianchi Energy Sales Co., Ltd. (新疆天池能源銷售有限公司)	0.00	29,054,360.93
Other payables	Tianjin Sanyang Silu Commercial Factoring Co., Ltd. (天津三陽絲路商業保理有限公司)	196,150,132.97	79,479,836.75
Other payables	Tumxuk Hengrunjin Power Technology Co., Ltd. (圖木舒克恒潤金電力科技有限公司)	6,866,367.92	0.00
Other payables	Urumqi Mingrui Guangsheng Power Co., Ltd. (烏魯木齊明瑞廣晟發電有限公司)	4,118,706.56	4,118,706.56
Other payables	TBEA Co., Ltd. (特變電工股份有限公司)	935,644.82	440,940.83
Other payables	Xinjiang TBEA International Package Services Co., Ltd. (新疆特變電工國際成套工程承包有限公司)	200,000.00	88,000.00

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

3. Balances due from and to related parties (Continued)

(2) Payables (Continued)

Items	Related party	Book balance at the end of the year	Book balance at the beginning of the year
Other payables	TBEA Supply Chain Management Co., Ltd. (特變電工供應鏈管理有限公司)	**16,366.74**	0.00
Other payables	Xinjiang Xingfu Yijia Kangyang Services Co., Ltd. (新疆幸福誼家康養服務有限公司)	**0.00**	206,227.88
Other current assets	Jiangyong Xinfeng New Energy Development Co., Ltd. (江永鑫風新能源開發有限公司)	**245,417.41**	0.00
Other current assets	Jiangyong Clean Energy Development Co., Ltd. (江永清潔能源開發有限公司)	**212,379.55**	0.00
Other current assets	Chongren County Huafeng Power Generation Co., Ltd. (崇仁縣華風發電有限公司)	**146,946.27**	0.00
Contract liabilities	Chongren County Huafeng Power Generation Co., Ltd. (崇仁縣華風發電有限公司)	**2,867,201.22**	2,923,734.61
Contract liabilities	Jiangyong Clean Energy Development Co., Ltd. (江永清潔能源開發有限公司)	**2,374,364.43**	2,097,991.38
Contract liabilities	Guyang County Changlan Wind Power Co., Ltd. (固陽縣長嵐風力發電有限公司)	**1,582,403.75**	0.00
Contract liabilities	Jiangyong Xinfeng New Energy Development Co., Ltd. (江永鑫風新能源開發有限公司)	**542,761.52**	1,216,509.66
Contract liabilities	Zhongsilu Construction Investment Group Co., Ltd. (中絲路建設投資集團有限公司)	**35,398.23**	0.00
Contract liabilities	TBEA Technology Investment Co., Ltd. (特變電工科技投資有限公司)	**7,793.82**	0.00
Contract liabilities	China Radio and Television Xinjiang Network Co., Ltd. (中國廣電新疆網絡股份有限公司)	**3,315.14**	2,652.11
Contract liabilities	Jiangyong Shenghua Energy Development Co., Ltd. (江永晟華能源開發有限公司)	**0.00**	5,244,089.02
Contract liabilities	Daoxian Clean Energy Development Co., Ltd. (道縣清潔能源開發有限公司)	**0.00**	4,358,391.27
Contract liabilities	Wuqi County Huaguang New Energy Co., Ltd. (吳起縣華光新能源有限公司)	**0.00**	310,296.77
Contract liabilities	TBEA (Tianjin) Smart Energy Management Co., Ltd. (特變電工 (天津) 智慧能源管理有限公司)	**0.00**	54,817.70
Total		**1,947,616,268.75**	1,794,479,578.76

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

4. Related-party commitment

Nil.

5. Remuneration of Directors, Supervisors and employees

1) Remuneration of Directors and Supervisors

Items	Salaries and allowances	Social insurance, housing provident funds and pensions	Bonus	Total
Amount recognized in current year				
Executive Directors:				
Huang Hanjie	271,758.00	10,311.64	0.00	282,069.64
Zhang Jianxin	3,325,949.84	156,116.88	632,538.40	4,114,605.12
Yang Xiaodong	3,414,686.96	138,338.76	1,856,900.00	5,409,925.72
Kong Ying	250,028.64	0.00	0.00	250,028.64
Huang Fen	1,141,027.20	94,681.06	646,900.00	1,882,608.26
Hu Weijun	2,072,975.84	115,746.00	271,170.00	2,459,891.84
Non-executive Directors:				
Hu Youcheng	0.00	0.00	0.00	0.00
Zhang Xin	160,000.00	0.00	0.00	160,000.00
Cui Xiang	200,000.00	0.00	0.00	200,000.00
Chen Weiping	200,000.00	0.00	0.00	200,000.00
Tam, Kwok Ming Banny	200,000.00	0.00	0.00	200,000.00
Supervisors:				
Chen Qijun	80,000.00	0.00	0.00	80,000.00
Wang Shufeng	1,125,459.00	91,203.26	314,200.00	1,530,862.26
Han Shu	80,000.00	0.00	0.00	80,000.00
Hu Shujun	80,000.00	0.00	0.00	80,000.00
Cao Huan	27,852.04	19,442.58	0.00	47,294.62
Guo Hao	1,031,206.00	67,697.59	145,819.27	1,244,722.86
Total	13,660,943.52	693,537.77	3,867,527.67	18,222,008.96

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

5. Remuneration of Directors, Supervisors and employees (Continued)

1) Remuneration of Directors and Supervisors (Continued)

Items	Salaries and allowances	Social insurance, housing provident funds and pensions	Bonus	Total
Amount recognized in previous year				
Executive Directors:				
Zhang Jianxin	3,447,012.64	152,313.21	1,624,363.00	5,223,688.85
Yang Xiaodong	1,035,167.66	43,865.16	0.00	1,079,032.82
Hu Weijun	1,005,898.21	64,947.04	92,323.00	1,163,168.25
Kong Ying	244,483.33	0.00	396,308.00	640,791.33
Yin Bo	814,235.05	54,484.56	538,270.00	1,406,989.61
Xia Jinjing	736,514.82	46,656.26	446,256.89	1,229,427.97
Non-executive Directors:				
Zhang Xin	160,000.00	0.00	0.00	160,000.00
Huang Hanjie	160,000.00	0.00	0.00	160,000.00
Cui Xiang	200,000.00	0.00	0.00	200,000.00
Chen Weiping	200,000.00	0.00	0.00	200,000.00
Tam, Kwok Ming Banny	200,000.00	0.00	0.00	200,000.00
Guo Junxiang	80,000.00	0.00	0.00	80,000.00
Supervisors:				
Chen Qijun	80,000.00	0.00	0.00	80,000.00
Han Shu	80,000.00	0.00	0.00	80,000.00
Hu Shujun	80,000.00	0.00	0.00	80,000.00
Cao Huan	841,131.33	115,077.49	96,380.00	1,052,588.82
Guo Hao	953,480.35	32,592.00	252,928.00	1,239,000.35
Total	10,317,923.39	509,935.72	3,446,828.89	14,274,688.00

Note: Mr. Huang Hanjie was re-designated as an executive Director on 24 November 2025; Mr. Zhang Jianxin resigned as an executive Director on 24 November 2025; Ms. Kong Ying resigned as an executive Director on 14 March 2025; Ms. Huang Fen was appointed as an executive Director on 29 April 2025; Mr. Hu Youcheng was appointed as a non-executive Director on 30 December 2025; Mr. Wang Shufeng was appointed as an employee Supervisor on 14 February 2025 and stepped down as a Supervisor on 30 December 2025; Mr. Han Shu stepped down as a Supervisor on 30 December 2025; Mr. Hu Shujun stepped down as a Supervisor on 30 December 2025; Mr. Cao Huan was relieved of his duties as a Supervisor on 14 February 2025; Mr. Guo Hao stepped down as a Supervisor on 30 December 2025.

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

5. Remuneration of Directors, Supervisors and employees (Continued)

2) Five highest paid individuals

Four of the five highest paid individuals of the current year are Directors and Supervisors (previous year: three), whose remunerations are set out in Note XII. 5. The remuneration of the other individual (previous year: two) is set out below:

Items	Amount recognized in current year	Amount recognized in previous year
Salaries and allowances	**1,551,550.37**	2,849,106.06
Social insurance, housing provident funds and relevant pensions	**121,021.40**	344,344.10
Bonus	**790,062.87**	1,906,272.68
Total	**2,462,634.64**	5,099,722.84

Remuneration range:

Items	Number in current year	Number in previous year
HK$2,000,001 to HK$2,500,000	**0**	1
HK$2,500,001 to HK$3,000,000	**1**	1
HK$4,500,001 to HK$5,000,000	**0**	0
HK$5,500,001 to HK$6,000,000	**0**	0
HK$6,500,001 to HK$7,000,000	**0**	0
Total	**1**	2

3) During the track record period, no Director has waived or agreed to waive any remuneration. During the track record period, no remuneration was paid by the Company to any Directors, Supervisors or the five highest paid individuals as inducements to join or upon joining the Company or as compensation for loss of office.

XII. RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (Continued)

5. Remuneration of Directors, Supervisors and employees (Continued)

4) Remuneration of key management

Remuneration of key management (including amounts paid to Directors, Supervisors and senior management) are as follows:

Items	**Amount recognized in current year**	Amount recognized in previous year
Salaries and allowances	**17,841,177.51**	16,270,664.59
Social insurance, housing provident funds and relevant pensions	**1,026,397.43**	1,243,456.06
Bonus	**4,720,510.54**	6,288,659.30
Total	**23,588,085.48**	23,802,779.95

6. Borrowings due from Directors/associated enterprises of Directors

Nil.

7. Others

Nil.

XIII. SHARE-BASED PAYMENTS

Nil.

XIV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

As at 31 December 2025, the Group's guarantees in the form of letter of guarantee were equivalent to RMB5,442,113,451.21 at the benchmark exchange rate at the end of the year, with maturity in 2029 at the latest.

2. Information of mortgaged assets

Entity mortgaging assets	Mortgagee	Category of mortgaged assets	Appraised asset value/original carrying amount	Project of mortgage/guarantee
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	China Development Bank Xinjiang Branch	Land use rights, machinery and equipment will be formed in the future of the 200,000-ton-per-annum high-end electronic-grade polysilicon green, low-carbon circular economy construction project of Xinte Silicon New Materials Co., Ltd. (新特硅基新材料有限公司)	5,638,158,008.83	The 200,000-ton-per-annum high-end electronic-grade polysilicon green, low carbon circular economy construction project of the Xinte Silicon New Materials Co., Ltd. (新特硅基新材料有限公司年產20萬噸高端電子級多晶硅綠色低碳循環經濟建設項目)
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	Agricultural Bank of China Changji Branch			
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	Industrial and Commercial Bank of China Limited Xinjiang Branch			
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	The Export-Import Bank of China Xinjiang Branch			
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	Bank of Urumqi Changji Branch			
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	Industrial Bank Urumqi Branch			
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	China Minsheng Bank Urumqi Branch			
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	China Merchants Bank Urumqi Branch			
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	Bank of China Xinjiang Branch			
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	Bank of Communications Xinjiang Branch			
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	China CITIC Bank Urumqi Branch			
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	Bank of Kunlun Urumqi Branch			

XIV. COMMITMENTS AND CONTINGENCIES

2. Information of mortgaged assets (Continued)

Entity mortgaging assets	Mortgagee	Category of mortgaged assets	Appraised asset value/original carrying amount	Project of mortgage/guarantee
Baotou Guangyi Solar Power Co., Ltd. (包頭市光羿太陽能發電有限責任公司)	China Development Bank Xinjiang Branch	Fixed assets after the completion of Baotou Guangyi Solar Power Co., Ltd. Shiguai District Leader No. 1 100MWp PV Project	576,924,537.32	Baotou Guangyi Solar Power Co., Ltd. Shiguai District Leader No. 1 100MWp PV Project (包頭市光羿太陽能發電有限責任公司石拐區領跑者1號100MWp光伏項目)
Burqin County Jingneng Wind Power Co., Ltd. (布爾津縣晶能風力發電有限責任公司)	Agricultural Bank of China Burqin Sub-branch	Fixed assets after the completion of Xinjiang Zhundong Base TBEA Burqin 150MW Wind Power Plant Project	1,188,000,000.00	Xinjiang Zhundong Base TBEA Burqin 150MW Wind Power Plant Project (新疆准東基地特變電工布爾津縣150MW風電場)
Dunhuang Teneng New Energy Co., Ltd. (敦煌市特能新能源有限公司)	Bank of China Jiuquan Branch	Assets (machinery and equipment) after the completion of TBEA Dunhuang 20MW Grid-Parity PV Power Project	548,242,221.55	TBEA Dunhuang 20MW Grid-Parity PV Power Project (特變電工敦煌20MW平價光伏發電項目)
Dunhuang Teneng New Energy Co., Ltd. (敦煌市特能新能源有限公司)	Bank of China Jiuquan Branch	Assets (machinery and equipment) after the completion of TBEA Dunhuang 100MW Grid-connected PV Power Project		TBEA Dunhuang 100MW Grid connectedPV Power Project (特變電工敦煌100MW並網光伏發電項目)
Guyang County Wind Power Generation Co., Ltd. (固陽縣風源發電有限責任公司)	China Development Bank Xinjiang Branch	Fixed assets and land use rights after the completion of TBEA Guyang Xingshunxi Wind Power Plant Phase I 100MW Wind Power Project		TBEA Guyang Xingshunxi Wind Power Plant Phase I 100MW Wind Power Project (特變電工固陽興順西風電場一期100MW風電工程項目)
Guyang County Wind Power Generation Co., Ltd. (固陽縣風源發電有限責任公司)	China Development Bank Xinjiang Branch	Fixed assets and land use rights after the completion of TBEA Guyang Xingshunxi PV Power Plant 20MW Integrated Wind Power and PV Power Plant PV Power Generation Project	645,816,429.25	TBEA Guyang Xingshunxi PV Power Plant 20Mwp Integrated Wind Power and PV Power Plant PV Power Generation Project (特變電工固陽興順西光伏電場20Mwp風光同場太陽能光伏發電工程項目)

XIV. COMMITMENTS AND CONTINGENCIES

2. Information of mortgaged assets (Continued)

Entity mortgaging assets	Mortgagee	Category of mortgaged assets	Appraised asset value/original carrying amount	Project of mortgage/guarantee
Hami Fengshang Power Generation Co., Ltd. (哈密風尚發電有限責任公司)	China Development Bank Xinjiang Branch	Fixed assets (buildings, machinery and equipment) and land use rights after the completion of Xinjiang Hami Wind Power Base Phase II Jingxia No. 6 Wind Power Plant Block B 200MW Project	1,364,684,585.78	Xinjiang Hami Wind Power Base Phase II Jingxia No. 6 Wind Power Plant Block B 200MW Project (新疆哈密風電基地二期項目景峽第六風電場 B區200MW工程)
Heze Mudan District Haofeng New Energy Co., Ltd. (菏澤市牡丹區浩風新能源有限公司)	Industrial and Commercial Bank of China Limited Yanggu Sub-branch	Fixed assets and land use rights of Haofeng New Energy Mudan District Wanghao Village 50MW Wind Power Project	386,205,639.35	Haofeng New Energy Mudan District Wanghao Village 50MW Wind Power Project (浩風新能源牡丹區王浩屯 50MW風電項目)
Heqing Huineng Power Generation Co., Ltd. (鶴慶匯能發電有限責任公司)	China Development Bank Xinjiang Branch	Fixed assets after the completion of Yunnan Dali Prefecture Heqing Huangping Grid-connected PV Power Project	177,604,661.19	Yunnan Dali Prefecture Heqing Huangping Grid-connected PV Power Project (雲南省大理州鶴慶縣黃坪並網光伏電站項目)
Liaocheng Shenxian Huahao New Energy Development Co., Ltd. (聊城莘縣華浩新能源發展有限公司)	Industrial and Commercial Bank of China Limited Yanggu Sub-branch	Fixed assets after the completion of Liaocheng Guancheng 101MW/204MWh Electrochemical Energy Storage Project	365,594,305.35	Liaocheng Guancheng 101MW/204MWh Electrochemical Energy Storage Project 項目) (聊城縣觀城101MW/204MWh電化學儲能
Yarkant County Xinshang Energy Power Generation Co., Ltd. (莎車縣新尚能源發電有限責任公司)	Industrial and Commercial Bank of China Limited Kashgar Branch	Fixed assets after the completion of Xinshang Energy Yarkant 100MW PV Grid-connected Power and Energy Storage Facilities Project	458,658,127.30	Xinshang Energy Yarkant 100MW PV Grid connected Power and Energy Storage Facilities Project (新尚能源莎車100兆瓦光伏並網發電和儲能設施項目)
Xifeng Rongsheng Power New Energy Co., Ltd. (西豐縣榮晟電力新能源有限公司)	SPD Bank Tieling Branch	Fixed assets (buildings, machinery and equipment) and land use rights after the completion of Tieling Xifeng County Baiyu Township Wind Power Project	541,175,429.20	Tieling Xifeng County Baiyu Township Wind Power Project (鐵嶺市西豐縣柏榆鎮風電項目)
Xilingol Xinyuan New Energy Co., Ltd. (錫林郭勒新園新能源有限公司)	China Development Bank Xinjiang Branch	Fixed assets after the completion of Xinyuan Zhengxiangbai Banner Ultrahigh Voltage 200,000kW Wind Power Plant	1,371,293,217.35	Xinyuan Zhengxiangbai Banner Ultrahigh Voltage 200,000kW Wind Power Plant Program (新園正鑲白旗特高壓外送20萬千瓦風電場建設項目)

XIV. COMMITMENTS AND CONTINGENCIES

2. Information of mortgaged assets (Continued)

Entity mortgaging assets	Mortgagee	Category of mortgaged assets	Appraised asset value/original carrying amount	Project of mortgage/guarantee
Yu County Huaguang PV Power Generation Co., Ltd. (盂縣華光光伏發電有限公司)	China Development Bank Xinjiang Branch	Fixed assets after the completion of Shanxi Yangquan Coal Mining Subsidence Area National Leading PV Power Demonstration Project	681,803,091.31	Shanxi Yangquan Coal Mining Subsidence Area National Leading PV Power Demonstration Base Jiajianao 100Mwp PV Power Project (山西陽泉市采煤沉陷區國家先進技術光伏發電示範基地賈家墝100Mwp光伏發電項目)
Zhengxiangbai Banner Fengsheng Power Generation Co., Ltd. (正鑲白旗風盛發電有限公司)	China Development Bank Xinjiang Branch	Fixed assets and land use rights after the completion of Fengsheng Zhengxiangbai Banner Ultrahigh Voltage 275,000kW Wind Power Plant Project	3,129,882,745.42	Fengsheng Zhengxiangbai Banner Ultrahigh Voltage 275,000kW Wind Power Plant Project (Poverty Alleviation) (風盛正鑲白旗特高壓外送27.5萬千瓦風電場項目(扶貧開發))
Zhengxiangbai Banner Fengsheng Power Generation Co., Ltd. (正鑲白旗風盛發電有限公司)	China Development Bank Xinjiang Branch	Fixed assets and land use rights after the completion of Fengsheng Zhengxiangbai Banner Ultra-high Voltage 200,000kW Wind Power Plant Project		Fengsheng Zhengxiangbai Banner Ultrahigh Voltage 200,000kW Wind Power Plant Project (Poverty Alleviation) (風盛正鑲白旗特高壓外送20萬千瓦風電場項目(扶貧開發))
Zhongmin (Mulei) Wind Power Co., Ltd. (中閩(木壘)風電有限公司)	Industrial and Commercial Bank of China Limited Changji Branch	Fixed assets after the completion of Zhongmin (Mulei) Wind Power Co., Ltd. Mulei Dashitou 200MW Wind Power Project	1,548,771,344.02	Zhongmin (Mulei) Wind Power Co., Ltd. Mulei Dashitou 200MW Wind Power Project (中閩(木壘)風電有限公司木壘大石頭200MW風力發電項目)
Wuwei Wusheng New Energy Technology Co., Ltd. (武威武晟新能源科技有限公司)	Agricultural Bank of China Financial Leasing Co., Ltd.	Fixed assets after the completion of Wuwei 150 MW PV Power Project	716,992,491.94	Wuwei 150 MW PV Power Project (武威武晟150兆瓦光伏發電項目)
TBEA Xi'an Electrical Technology Co., Ltd. (特變電工西安電氣科技有限公司)	Industrial Bank Xi'an Branch	Land and buildings on the land allocated to the "TBEA Xi'an Science and Technology Industrial Park Phase III and 5G Digital Factory, and Science and Technology Innovation R&D Building Construction Project" as listed in the Real Estate Ownership Certificate of the Xi'an Real Estate Ownership No. 00850545 (Shaanxi 2025)	397,895,451.28	TBEA Xi'an Science and Technology Industrial Park Phase III and 5G Digital Factory, and Science and Technology Innovation R&D Building Construction Project (特變電工西安科技產業園三期暨5G數字化工廠及科創研發大樓建設項目)

XIV. COMMITMENTS AND CONTINGENCIES

3. Information of pledged assets

Entity pledging assets	Pledgee	Category of pledged assets	Appraised asset value/original carrying amount	Project of pledge/guarantee
Urumqi Junsheng Wind Power Generation Co., Ltd. (烏魯木齊縣君盛風力發電有限公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	3,683,080.00	Urumqi Toli 100MW Wind Power Project (烏魯木齊縣托裏鄉100MW風電項目)
Baotou Guangyi Solar Power Co., Ltd. (包頭市光羿太陽能發電有限責任公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	107,258,678.93	Baotou Guangyi Solar Power Co., Ltd. Shiguai District Leader No. 1 100MWp PV Project (包頭市光羿太陽能發電有限責任公司石拐區領跑者1號100MWp光伏項目)
Burqin County Jingneng Wind Power Co., Ltd. (布爾津縣晶能風力發電有限責任公司)	Agricultural Bank of China Limited Burqin Sub-branch	The right to tariff after the completion and all revenue under the project	460,837,934.67	Xinjiang Zhundong Base TBEA Burqin 150MW Wind Power Plant Project (新疆准東基地特變電工布爾津縣150MW風電場項目)
Dunhuang Teneng New Energy Co., Ltd. (敦煌市特能新能源有限公司)	Bank of China Limited Jiuquan Branch	The right to tariff after the completion and all revenue under the project	594,967.66	TBEA Dunhuang 20MW Grid-Parity PV Power Project (特變電工敦煌20MW平價光伏發電項目)
Dunhuang Teneng New Energy Co., Ltd. (敦煌市特能新能源有限公司)	Bank of China Limited Jiuquan Branch	The right to tariff after the completion and all revenue under the project	2,193,180.60	TBEA Dunhuang 100MW Grid-connected PV Power Generation Project (特變電工敦煌100MW並網光伏發電項目)
Guyang County Wind Power Generation Co., Ltd. (固陽縣風源發電有限責任公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	399,706,757.51	TBEA Guyang Xingshunxi Wind Power Plant Phase I 100MW Wind Power Project (特變電工固陽興順西風電場一期100MW風電工程項目)
Guyang County Wind Power Generation Co., Ltd. (固陽縣風源發電有限責任公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	20,737,936.23	TBEA Guyang Xingshunxi PV Power Plant 20MWp Integrated Wind Power and PV Power Plant PV Power Generation Project (特變電工固陽興順西光伏電場20MWp風光同場太陽能光伏發電工程項目)
Hami Fengshang Power Generation Co., Ltd. (哈密風尚發電有限責任公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	919,261,972.89	Xinjiang Hami Wind Power Base Phase II Jingxia No. 6 Wind Power Plant Block B 200MW Project (新疆哈密風電基地二期項目景峽第六風電場B區200MW工程)

XIV. COMMITMENTS AND CONTINGENCIES (Continued)

3. Information of pledged assets (Continued)

Entity pledging assets	Pledgee	Category of pledged assets	Appraised asset value/original carrying amount	Project of pledge/guarantee
Hami Shisanjianfang Xinte Wind Energy Co., Ltd. (哈密十三間房新特風能有限責任公司)	Bank of China Hami Branch	The right to tariff after the completion and all revenue under the project	1,526,540.00	TBEA Shisanjianfa Wind Power Plant Phase I 49.5MW Project (特變電工十三間房風電場一期49.5MW項目)
Hami Zhenchao Wind Power Co., Ltd. (哈密市振超風力發電有限公司)	Bank of China Limited Hami Branch	The right to tariff after the completion and all revenue under the project	10,611,617.16	Yizhou District Luotuoquanzi 15MW Distributed Wind Power Project (伊州區駱駝圈子15MW分散式風電項目)
Heze Mudan District Haofeng New Energy Co., Ltd. (菏澤市牡丹區浩風新能源有限公司)	Industrial and Commercial Bank of China Limited Yanggu Sub-branch	The right to tariff after the completion and all revenue under the project	112,397,460.06	Haofeng New Energy Mudan District Wanghao Village 50MW Wind Power Project (浩風新能源牡丹區王浩屯50MW風電項目)
Heqing Huineng Power Generation Co., Ltd. (鶴慶匯能發電有限責任公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	114,606,569.22	Yunnan Dali Prefecture Heqing Huangping Grid-connected PV Power Project (雲南省大理州鶴慶縣黃坪並網光伏電站項目)
Kalpin County Kete New Energy Co., Ltd. (柯坪縣柯特新能源有限責任公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	1,111,660.00	Kete New Energy Kalpin County 100MW PV and Energy Storage and Power Generation Project (柯特新能源柯坪縣100兆瓦光伏及儲能發電項目)
Liaocheng Shen County Huahao New Energy Development Co., Ltd. (聊城莘縣華浩新能源發展有限公司)	Industrial and Commercial Bank of China Limited Yanggu Branch	The right to tariff after the completion and all revenue under the project	3,254,006.34	Liaocheng County Guancheng 101MW/204MWh Electrochemical Energy Storage Project (聊城縣觀城101MW/204MWh電化學儲能項目)
Luyi Fengyi Power Co., Ltd. (鹿邑縣風易發電有限公司)	China Construction Bank Zhoukou Branch	The right to tariff after the completion and all revenue under the project	7,252,748.21	Luyi Mudian 20MW Distributed Wind Power Project (鹿邑縣穆店20MW分散式風電項目)
Mulei County Jiayu Fengsheng Power Generation Co., Ltd. (木壘縣嘉裕風晟發電有限公司)	Bank of China Xinjiang Branch	The right to tariff after the completion and all revenue under the project	26,136,557.98	TBEA Mulei Dashitou 200MW Wind Power Project (特變電工木壘大石頭200MW風力發電項目)

XIV. COMMITMENTS AND CONTINGENCIES (Continued)

3. Information of pledged assets (Continued)

Entity pledging assets	Pledgee	Category of pledged assets	Appraised asset value/original carrying amount	Project of pledge/guarantee
Mulei County Xinte Huineng Power Generation Co., Ltd. (木壘縣新特匯能發電有限責任公司)	Bank of China Xinjiang Branch	The right to tariff after the completion and all revenue under the project	202,481,642.08	TBEA Mulei Laojunmiao 100MW Wind Power Project (特變電工木壘老君廟100MW風力發電項目)
Nanning Huineng Wind Power Co., Ltd. (南寧匯能風力發電有限公司)	Bank of China Nanning Branch	The right to tariff after the completion and all revenue under the project	1,224,000.00	Nanning Xingning District Kunlun Town Tanle Wind Power Plant Project (南寧市興寧區昆侖鎮壇勒風電場工程項目)
Ruoqiang Zhuo Shang New Energy Co., Ltd. (若羌縣卓尚新能源有限公司)	Bank of China Bayingol Mongolian Autonomous Prefecture Branch	The right to tariff after the completion and all revenue under the project	1,362,180.00	Ruoqiang Milan Wind District 50,000 kW Wind Power Project (若羌縣米蘭風區5萬千瓦風電項目)
Yarkant County Xinshang Energy Power Generation Co., Ltd. (莎車縣新尚能源發電有限責任公司)	Industrial and Commercial Bank of China Limited Kashgar Branch	The right to tariff after the completion and all revenue under the project	1,750,263.21	Xinshang Energy Yarkant 100MW PV Grid connected Power and Energy Storage Facilities Project (新尚能源莎車100兆瓦光伏並網發電和儲能設施項目
Wenxi County Xinjia New Energy Co., Ltd. (聞喜縣新佳新能源有限公司)	Bank of China Suichuan Branch	The right to tariff after the completion and all revenue under the project	2,214,000.00	Suichuan County Jiaoziding Distributed Wind Power Project (遂川縣轎子頂分散式風電項目)
Wenxi County Xinjia New Energy Co., Ltd. (聞喜縣新佳新能源有限公司)	Bank of China Yuncheng Branch	The right to tariff after the completion and all revenue under the project	3,452,765.28	TBEA Yuncheng Wenxi County Liyuan Town 100,000kW PV Power Project and Auxiliary Output Project (特變電工運城市聞喜縣禮元鎮10萬千瓦光伏發電項目及配套輸出項目)
Xifeng Rongsheng Power New Energy Co., Ltd. (西豐縣榮晟電力新能源有限公司)	Shanghai Pudong Development Bank Co., Ltd. Tieling Branch	The right to tariff after the completion and all revenue under the project	7,957,690.06	Tieling Xifeng County Baiyu Township Wind Power Project (鐵嶺市西豐縣柏榆鎮風電項目)
Xilingol Xinyuan New Energy Co., Ltd. (錫林郭勒新園新能源有限公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	30,828,258.64	Xinyuan Zhengxiangbai Banner Ultrahigh Voltage 200,000kW Wind Power Plant Program (新園正鑲白旗特高壓外送20萬千瓦風電場建設項目)

XIV. COMMITMENTS AND CONTINGENCIES (Continued)

3. Information of pledged assets (Continued)

Entity pledging assets	Pledgee	Category of pledged assets	Appraised asset value/original carrying amount	Project of pledge/guarantee
Yu County Huaguang PV Power Generation Co., Ltd. (盂縣華光光伏發電有限公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	402,780,285.02	Shanxi Yangquan Coal Mining Subsidence Area National Leading PV Power Demonstration Base Jiajianao 100Mwp PV Power Project (山西陽泉市采煤沉陷區國家先進技術光伏發電示範基地賈家墝100Mwp光伏發電項目)
Zhengxiangbai Banner Fengsheng Power Generation Co., Ltd. (正鑲白旗風盛發電有限公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	42,919,829.56	Fengsheng Zhengxiangbai Banner Ultrahigh Voltage 275,000kW Wind Power Plant Project (Poverty Alleviation) (風盛正鑲白旗特高壓外送27.5萬千瓦風電場項目(扶貧開發))
Zhengxiangbai Banner Fengsheng Power Generation Co., Ltd. (正鑲白旗風盛發電有限公司)	China Development Bank Xinjiang Branch	The right to tariff after the completion and all revenue under the project	26,994,850.64	Fengsheng Zhengxiangbai Banner Ultrahigh Voltage 200,000kW Wind Power Plant Project (Poverty Alleviation) (風盛正鑲白旗特高壓外送20萬千瓦風電場項目(扶貧開發))
Zhongmin (Mulei) Wind Power Co., Ltd. (中閩 (木壘) 風電有限公司)	Industrial and Commercial Bank of China Limited Changji Branch	The right to tariff after the completion and all revenue under the project	37,615,312.75	Zhongmin (Mulei) Wind Power Co., Ltd. Mulei Dashitou 200MW Wind Power Project (中閩 (木壘)風電有限公司木壘大石頭200MW風力發電項目)
Zhangye Ganzhou District Gante New Energy Co., Ltd. (張掖市甘州區甘特新能源有限公司)	Bank of China Zhangye Branch	The right to tariff after the completion and all revenue under the project	0.00	Ganzhou Pingshan Lake Million Kilowatt Wind Power Base 200,000 Kilowatt Wind Power 1# Project (甘州平山湖百萬千瓦風電基地20萬千瓦風電1#項目)
Hami Huafeng New Energy Power Generation Co., Ltd. (哈密華風新能源發電有限公司)	China Merchants Bank Co., Ltd. Urumqi Branch	The right to tariff after the completion and all revenue under the project	5,650,905.65	Hami Southeast Shankou Region TBEA PV Power Project (哈密東南部山口區域特變電工光伏發電項目)
Hami Huafeng New Energy Power Generation Co., Ltd. (哈密華風新能源發電有限公司)	Agricultural Bank of China Limited Changji Branch	The right to tariff after the completion and all revenue under the project	62,136,770.91	Hami Southeast Shankou Region TBEA PV Power Project (哈密東南部山口區域特變電工光伏發電項目)
Wuwei Wusheng New Energy Technology Co., Ltd. (武威武晟新能源科技有限公司)	Agricultural Bank of China Financial Leasing Co., Ltd.	The right to tariff after the completion and all revenue under the project	44,177,224.50	Wuwei 150 MW PV Power Project (武威武晟150兆瓦光伏發電項目)
Hami Huafeng New Energy Power Generation Co., Ltd. (哈密華風新能源發電有限公司)	Agricultural Bank of China Limited Changji Branch	The right to tariff after the completion and all revenue under the project	47,746,223.18	Hami Southeast Shankou Region TBEA PV Power Project (哈密東南部山口區域特變電工光伏發電項目)

4. CONTINGENCIES

At the balance sheet date, the Group had no material contingent events that need to be disclosed.

XV. EVENTS AFTER THE BALANCE SHEET DATE

Nil.

XVI. OTHER SIGNIFICANT MATTERS

1. Error correction for the previous period and impact

Nil.

2. Segment information

(1) Basis and accounting policies for determining reporting segments

The chief operating decision maker (the "**CODM**") has been identified as the general manager, deputy general manager, and directors of the Company who are responsible for reviewing the Group's internal reports in order to assess performance and allocate resources. Management has determined the operating segments on the basis of these reports. As the Group's operations are primarily located in the PRC, the CODM considers the business from a product and service perspective. Management separately considers the polysilicon, the construction and operation of wind power and PV power plants, and sales of electrical equipment as reportable operating segments. Other segments mainly represent sales of materials, by-products, and other miscellaneous services.

The CODM assesses the performance of the operating segments based on revenue and gross profit margin. The elimination transactions between segments are carried out based on terms and conditions mutually agreed upon between the relevant parties. The measurement of segment revenue and results reported to the CODM are in a manner consistent with that in the consolidated income statement. The amounts provided to the CODM with respect to total assets are measured in a manner consistent with that of the consolidated balance sheet. These assets are allocated based on the operations of the segment.

XVI. OTHER SIGNIFICANT MATTERS (Continued)

2. Segment information (Continued)

(2) Financial information of the reporting segment for the current year

In the current year

Items	Polysilicon	Construction of wind power and PV power plants	Operation of wind power and PV power plants	Electrical equipment	Others	Inter-segment elimination	Total
I. Segment revenue and results							
1. Operating revenue	2,949,104,668.44	9,992,381,954.53	2,683,802,671.48	3,954,714,412.61	654,744,179.68	-4,980,250,745.00	15,254,497,141.74
Including: Revenue from external transactions	2,924,557,601.01	5,914,940,791.69	2,682,821,452.79	3,330,206,137.51	401,971,158.74	0.00	15,254,497,141.74
Revenue from inter segment transactions	24,547,067.43	4,077,441,162.84	981,218.69	624,508,275.10	252,773,020.94	-4,980,250,745.00	0.00
2. Gross profit for the segment	-1,400,318,594.68	1,177,954,893.93	1,383,201,854.65	139,588,857.64	120,681,403.70	0.00	1,421,108,415.24
3. Investment revenue of associates and joint ventures	493,585,938.37	42,174,286.26	0.00	0.00	0.00	-8,168,956.54	527,591,268.09
4. Impairment loss of credit	22,487,868.97	-48,337,302.41	-36,421,835.27	20,947,164.27	-6,129,053.48	-26,035,794.29	-73,488,952.21
5. Impairment loss of assets	-427,061,543.60	-172,512,986.05	-25,678,571.23	-8,899,973.18	-176,197,781.81	-46,864.67	-810,397,720.54
6. Depreciation and amortization expenses	1,708,588,882.51	47,600,754.65	1,057,839,973.58	117,472,941.96	37,606,536.23	-84,214,008.49	2,884,895,080.44
7. Total profit	-2,103,164,638.93	2,163,767,395.30	896,655,469.93	-569,955,783.37	-155,305,003.55	-1,321,246,851.21	-1,089,249,411.83
II. Total assets	45,230,635,638.87	27,379,527,506.98	32,324,084,125.15	7,138,427,662.73	1,750,678,278.10	-31,702,252,842.61	82,121,100,369.22
1. Long-term equity investments (investments in associates and joint ventures)	2,497,642,265.18	802,036,879.83	0.00	0.00	0.00	-413,379,775.17	2,886,299,369.84
2. Increase in non-current assets (other than long-term equity investments	-1,565,844,347.87	-147,351,613.37	2,354,628,501.35	208,863,271.43	-219,122,294.88	130,037,887.65	761,211,404.31
III. Total liabilities	14,916,710,470.63	10,466,506,280.00	22,458,120,221.44	6,191,636,663.73	851,767,013.33	-9,809,828,557.07	45,074,912,092.06

XVI. OTHER SIGNIFICANT MATTERS (Continued)

2. Segment information (Continued)

(2) Financial information of the reporting segment for the current year (Continued)

In the previous year

Items	Polysilicon	Construction of wind power and PV power plants	Operation of wind power and PV power plants	Electrical equipment	Others	Inter-segment elimination	Total
I. Segment revenue and results							
1. Operating revenue	7,761,922,797.44	14,777,891,906.11	2,350,307,029.60	4,396,027,218.71	853,330,407.62	-8,926,499,403.69	21,212,979,955.79
Including: Revenue from external transactions	7,750,014,012.64	7,457,204,252.63	2,349,702,746.44	3,052,968,924.63	603,090,019.45	0.00	21,212,979,955.79
Revenue from inter segment transactions	11,908,784.80	7,320,687,653.48	604,283.16	1,343,058,294.08	250,240,388.17	-8,926,499,403.69	0.00
2. Gross profit for the segment	-2,383,162,165.91	1,712,358,676.70	1,238,753,107.08	645,255,797.23	148,151,424.03	0.00	1,361,356,839.13
3. Investment revenue of associates and joint ventures	16,648,196.40	48,503,644.56	0.00	0.00	0.00	85,387.72	65,237,228.68
4. Impairment loss of credit	-48,887,281.81	63,204,313.33	-37,126,887.04	-17,747,125.91	-4,480,508.86	50,915,752.35	5,878,262.06
5. Impairment loss of assets	-2,513,057,519.19	-152,198,640.43	-675,178,172.62	-72,299,442.02	-3,364,841.58	119,124.89	-3,415,979,490.95
6. Depreciation and amortization expenses	1,936,883,616.85	51,377,487.70	951,151,611.83	69,975,468.71	39,742,748.99	-61,388,389.32	2,987,742,544.76
7. Total profit	-4,924,174,262.76	2,608,058,063.76	106,609,346.46	4,210,189.76	57,553,924.35	-1,931,629,360.17	-4,079,372,098.60
II. Total assets	48,102,740,445.00	26,624,353,597.75	28,664,089,798.09	7,632,773,762.85	2,112,031,388.24	-31,455,402,795.17	81,680,586,196.76
1. Long-term equity investments (investments in associates and joint ventures)	506,648,196.40	506,540,242.05	0.00	0.00	0.00	-139,914,612.28	873,273,826.17
2. Increase in non-current assets (other than long-term equity investments	-2,711,736,992.07	-171,393,249.46	731,655,912.77	733,352,649.98	-84,724,473.35	-754,456,809.81	-2,257,302,961.94
III. Total liabilities	15,789,265,339.43	13,205,117,183.82	21,914,538,434.88	5,448,290,711.24	1,695,420,489.89	-11,665,771,207.11	46,386,860,952.15

3. Other significant transactions and matters that may affect investor decision-making

Nil.

XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. Accounts receivable

(1) Accounts receivable by aging

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	**97,677,935.54**	283,616,153.43
1 year to 2 years (inclusive)	**132,582,010.60**	86,881,015.37
2 years to 3 years (inclusive)	**82,040,536.79**	85,957,477.97
3 years to 4 years (inclusive)	**85,957,477.97**	52,137,473.73
4 years to 5 years (inclusive)	**52,137,473.73**	27,152,016.38
Over 5 years	**21,746,599.69**	130,008.06
Total	**472,142,034.32**	535,874,144.94

(2) Method of provision for bad debts made on accounts receivable by category

	Closing balance				
	Book balance		Provision for bad debts		
Category	Amount	Percentage (%)	Amount	Provision percentage (%)	Carrying amount
Bad debt provision made on individual basis	258,123,650.39	54.67	258,123,650.39	100.00	0.00
Bad debt provision made on a collective basis	214,018,383.93	45.33	32,062,876.29	14.98	181,955,507.64
Including: By portfolio of aging	214,018,383.93	45.33	32,062,876.29	14.98	181,955,507.64
By portfolio of electricity and subsidies	0.00	0.00	0.00	0.00	0.00
Total	472,142,034.32	100.00	290,186,526.68	–	181,955,507.64

XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

1. Accounts receivable (Continued)

(2) Method of provision for bad debts made on accounts receivable by category (Continued)

Category	Opening balance				
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	Carrying amount
Bad debt provision made on individual basis	0.00	0.00	0.00	0.00	0.00
Bad debt provision made on a collective basis	535,874,144.94	100.00	56,555,127.80	10.55	479,319,017.14
Including: By portfolio of aging	535,874,144.94	100.00	56,555,127.80	10.55	479,319,017.14
By portfolio of electricity and subsidies	0.00	0.00	0.00	0.00	0.00
Total	535,874,144.94	100.00	56,555,127.80	–	479,319,017.14

1) Bad debt provision made on accounts receivable on individual basis

Name	Closing balance			
	Book balance	Bad debt provision	Provision percentage (%)	Reasons for provision
Xinjiang Jingshuo New Material Co., Ltd. (新疆晶碩新材料有限公司)	**258,123,650.39**	**258,123,650.39**	**100.00**	Not expected to be recovered
Total	**258,123,650.39**	**258,123,650.39**	**–**	**–**

XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

1. Accounts receivable (Continued)

(2) Method of provision for bad debts made on accounts receivable by category (Continued)

2) Bad debt provision made on accounts receivable on collective basis

Aging	Book balance	Closing balance Bad debt provision	Provision percentage (%)
Within 1 year (inclusive)	80,590,233.87	1,611,804.67	2.00
1 year to 2 years (inclusive)	100,643,181.71	5,032,159.09	5.00
2 years to 3 years (inclusive)	3,997,352.45	799,470.49	20.00
3 years to 4 years (inclusive)	3,238,328.76	971,498.63	30.00
4 years to 5 years (inclusive)	3,802,687.45	1,901,343.72	50.00
Over 5 years	21,746,599.69	21,746,599.69	100.00
Total	214,018,383.93	32,062,876.29	—

3) Provision for bad debts accrued, recovered or reversed for accounts receivable in the current year

Category	Opening balance	Changes in the current year Accrued	Recovered or reversed	Carry-forward or written off	Others	Closing balance
Bad debt provision made on accounts receivable	56,555,127.80	233,631,398.88	0.00	0.00	0.00	290,186,526.68
Total	56,555,127.80	233,631,398.88	0.00	0.00	0.00	290,186,526.68

XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

1. Accounts receivable (Continued)

(2) Method of provision for bad debts made on accounts receivable by category (Continued)

(4) Accounts receivable written off in the current year

Nil.

(5) The top five accounts receivable and contract assets of the closing balance aggregated by the owing party

The top five accounts receivable and contract assets of the closing balance aggregated by the owing party totalled RMB463,959,337.34, accounting for 98.14% of the total closing balance of accounts receivable and contract assets; the corresponding Closing balance of the provision for bad debts totalled RMB289,847,995.77.

2. Other receivables

Items	Closing balance	Opening balance
Interests receivable	**0.00**	0.00
Dividends receivable	**1,069,479,393.78**	1,059,479,393.78
Other receivables	**771,015,492.00**	2,727,919,405.74
Total	**1,840,494,885.78**	3,787,398,799.52

2.1 Interests receivable

Nil.

XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

2.2 Dividends receivable

Item (or investee)	Closing balance	Opening balance
Inner Mongolia Xinte Silicon Materials Co., Ltd. (內蒙古新特硅材料有限公司)	**1,059,479,393.78**	1,059,479,393.78
Xinjiang Xinte Xinneng Materials Co., Ltd. (新疆新特新能材料檢測中心有限公司)	**10,000,000.00**	0.00
Total	**1,069,479,393.78**	1,059,479,393.78

2.3 Other receivables

(1) Other receivables by nature

Nature	Book balance at the end of the year	Book balance at the beginning of the year
Advances	**8,751,760.88**	12,400,707.37
Margin and deposits	**716,099.06**	929,483.20
Related-party transactions	**1,172,369,870.35**	2,892,367,484.61
Daily cash advances	**2,297,871.62**	6,079,945.45
Others	**5,859.00**	35,071.09
Total	**1,184,141,460.91**	2,911,812,691.72

(2) Other receivables by aging

Aging	Closing book balance	Opening book balance
Within 1 year (inclusive)	**745,543,836.45**	1,852,814,501.12
1 year to 2 years (inclusive)	**68,987,746.55**	663,559,632.92
2 years to 3 years (inclusive)	**13,058,917.58**	49,725,529.91
3 years to 4 years (inclusive)	**46,585,582.05**	345,713,027.77
4 years to 5 years (inclusive)	**309,965,378.28**	0.00
Total	**1,184,141,460.91**	2,911,812,691.72

XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

2.3 Other receivables (Continued)

(3) Method of provision for bad debts made on other receivables by category

Category	Closing balance				
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	Carrying amount
Bad debt provision made on individual basis	381,284,897.68	32.20	381,284,897.68	100.00	0.00
Bad debt provision made on a collective basis	802,856,563.23	67.80	31,841,071.23	3.97	771,015,492.00
Including: By portfolio of aging	802,856,563.23	67.80	31,841,071.23	3.97	771,015,492.00
Total	1,184,141,460.91	100.00	413,125,968.91	–	771,015,492.00

Category	Opening balance				
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	Carrying amount
Bad debt provision made on individual basis	0.00	0.00	0.00	0.00	0.00
Bad debt provision made on a collective basis	2,911,812,691.72	100.00	183,893,285.98	6.32	2,727,919,405.74
Including: By portfolio of aging	2,911,812,691.72	100.00	183,893,285.98	6.32	2,727,919,405.74
Total	2,911,812,691.72	100.00	183,893,285.98	–	2,727,919,405.74

XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

2.3 Other receivables (Continued)

1) Bad debt provision made on other receivables on individual basis

Name	Closing balance			
	Book balance	Bad debt provision	Provision percentage (%)	Reasons for provision
Xinjiang Jingshuo New Material Co., Ltd. (新疆晶碩新材料有限公司)	381,284,897.68	381,284,897.68	100.00	Not expected to be recovered
Total	381,284,897.68	381,284,897.68	–	–

2) Bad debt provision made on other receivables on collective basis

Aging	Closing balance		
	Book balance	Bad debt provision	Provision percentage (%)
Within 1 year (inclusive)	745,458,393.53	14,909,167.86	2.00
1 year to 2 years (inclusive)	7,578,929.58	378,946.48	5.00
2 years to 3 years (inclusive)	8,818,121.27	1,763,624.25	20.00
3 years to 4 years (inclusive)	28,556,133.94	8,566,840.18	30.00
4 years to 5 years (inclusive)	12,444,984.91	6,222,492.46	50.00
Total	802,856,563.23	31,841,071.23	–

XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

2.3 Other receivables (Continued)

3) Bad debt provision made on other receivables on general model of expected credit losses basis

Bad debt provision	Stage 1 12-month expected credit loss	Stage 2 Lifetime expected credit loss (without credit impairment)	Stage 3 Lifetime expected credit loss (with credit impairment)	Total
Balance at 1 January 2025	183,893,285.98	0.00	0.00	183,893,285.98
Balance at 1 January 2025, for the current year	–	–	–	–
– Transferred to Stage 2	0.00	0.00	0.00	0.00
– Transferred to Stage 3	0.00	0.00	0.00	0.00
– Reversed to Stage 2	0.00	0.00	0.00	0.00
– Reversed to Stage 1	0.00	0.00	0.00	0.00
Accrued in current year	229,232,682.93	0.00	0.00	229,232,682.93
Reversed in current year	0.00	0.00	0.00	0.00
Carry-forward in current year	0.00	0.00	0.00	0.00
Written off in current year	0.00	0.00	0.00	0.00
Other changes	0.00	0.00	0.00	0.00
Balance at 31 December 2025	413,125,968.91	0.00	0.00	413,125,968.91

XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

2.3 Other receivables (Continued)

(4) Provision for bad debts accrued, recovered or reversed for other receivables in the current year

Category	Opening balance	Changes in the current year				Closing balance
		Accrued	Recovered or reversed	Carry-forward or written off	Others	
Bad debt provision made on other receivables	183,893,285.98	229,232,682.93	0.00	0.00	0.00	**413,125,968.91**
Total	183,893,285.98	229,232,682.93	0.00	0.00	0.00	**413,125,968.91**

(5) The top five accounts receivable of the closing balance aggregated by the owing party

Company	Nature	Closing balance	Aging	Percentage of total closing balance of accounts receivable (%)	Closing balance of bad debt provision
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	Related-party transactions	**564,990,037.72**	Within 1 year, 2–3 years	47.71	11,485,956.13
Xinjiang Jingshuo New Material Co., Ltd. (新疆晶碩新材料有限公司)	Related-party transactions	**381,284,897.68**	0–5 years	32.20	381,284,897.68
Xinjiang Xinte Energy Construction Material Co., Ltd. (新疆新特新能建材有限公司)	Related-party transactions	**41,297,178.27**	1–5 years	3.49	14,821,125.01
Inner Mongolia Xinte Silicon Materials Co., Ltd. (內蒙古新特硅材料有限公司)	Related-party transactions	**27,299,989.25**	Within 1 year	2.31	545,999.79
Changji Prefecture Shengding New Energy Power Generation Co., Ltd. (昌吉州盛鼎新能源發電有限公司)	Related-party transactions	**11,793,608.56**	1–3 years	1.00	1,596,447.73
Total	–	**1,026,665,711.48**	–	86.71	409,734,426.34

XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

3. Long-term equity investments

Items	Closing balance Book balance	Provision for impairment	Carrying amount
Investments in subsidiaries	**18,085,213,994.57**	**26,098,976.97**	**18,059,115,017.60**
Investments in associates and joint ventures	**1,789,459,983.40**	**0.00**	**1,789,459,983.40**
Total	**19,874,673,977.97**	**26,098,976.97**	**19,848,575,001.00**

Items	Opening balance Book balance	Provision for impairment	Carrying amount
Investments in subsidiaries	18,086,474,879.05	0.00	18,086,474,879.05
Investments in associates and joint ventures	0.00	0.00	0.00
Total	18,086,474,879.05	0.00	18,086,474,879.05

XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

3. Long-term equity investments (Continued)

(1) Investments in subsidiaries

Investee	Opening balance (carrying amount)	Opening balance of provision for impairment	Changes in the current year				Closing balance (carrying amount)	Closing balance of provision for impairment
			Increase investment	Decrease investment	Provision for impairment accrued	Others		
TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司)	8,061,826,865.77	0.00	0.00	0.00	0.00	0.00	8,061,826,865.77	0.00
Inner Mongolia Xinte Silicon Materials Co., Ltd. (內蒙古新特硅材料有限公司)	2,883,844,119.55	0.00	0.00	0.00	0.00	0.00	2,883,844,119.55	0.00
Xinte Silicon-based New Material Co., Ltd. (新特硅基新材料有限公司)	4,410,237,418.53	0.00	0.00	0.00	0.00	0.00	4,410,237,418.53	0.00
Xinjiang Xinte Crystal Silicon Hightech Co., Ltd. (新疆新特晶體硅高科技有限公司)	1,611,154,048.70	0.00	600,000,000.00	0.00	0.00	0.00	2,211,154,048.70	0.00
Xinjiang Jingshuo New Material Co., Ltd. (新疆晶碩新材料有限公司)	26,098,976.97	0.00	0.00	0.00	26,098,976.97	0.00	0.00	26,098,976.97
Xinjiang Xinte Energy Construction Material Co., Ltd. (新疆新特新能建材有限公司)	45,918,654.65	0.00	0.00	0.00	0.00	0.00	45,918,654.65	0.00
Xinjiang Xinte Xinneng Materials Co., Ltd. (新疆新特新能材料檢測中心有限公司)	54,785,743.38	0.00	0.00	0.00	0.00	0.00	54,785,743.38	0.00
Xinjiang Shahai Green Energy Services Co., Ltd. (新疆沙海綠色能源服務有限公司)	5,744,429.15	0.00	0.00	0.00	0.00	0.00	5,744,429.15	0.00
Xinjiang Xinte Energy Logistic Co., Ltd. (新疆新特能源物流有限公司)	5,482,625.46	0.00	0.00	0.00	0.00	0.00	5,482,625.46	0.00
Xinjiang Information Technology Co., Ltd. (新疆知信科技有限公司)	37,954,251.07	0.00	0.00	0.00	0.00	0.00	37,954,251.07	0.00
Urumqi Strategic Emerging Industry Xinte Energy Leading Fund (LLP) (烏魯木齊戰略性新興產業新特能源引導基金 (有限合夥))	600,000,000.00	0.00	0.00	600,000,000.00	0.00	0.00	0.00	0.00
TBEA Subic Co., Ltd. (特變電工蘇比克有限公司)	1,260,884.48	0.00	0.00	1,260,884.48	0.00	0.00	0.00	0.00
Changji Prefecture Shengding New Energy Power Generation Co., Ltd. (昌吉州盛鼎新能源發電有限公司)	202,323.61	0.00	0.00	0.00	0.00	0.00	202,323.61	0.00
Changji Prefecture Shengyu New Energy Power Generation Co., Ltd. (昌吉州盛裕新能源發電有限公司)	1,086,487.73	0.00	0.00	0.00	0.00	0.00	1,086,487.73	0.00
Urumqi Zhijun Wind Power Co., Ltd. (烏魯木齊志君風力發電有限公司)	154,220,000.00	0.00	0.00	0.00	0.00	0.00	154,220,000.00	0.00
Huaxia TBEA New Energy REIT (華夏特變電工新能源REIT)	186,192,000.00	0.00	0.00	0.00	0.00	0.00	186,192,000.00	0.00
Xinte Energy International Engineering Co., Ltd. (新特能源國際工程有限公司)	466,050.00	0.00	0.00	0.00	0.00	0.00	466,050.00	0.00
Total	18,086,474,879.05	0.00	600,000,000.00	601,260,884.48	26,098,976.97	0.00	18,059,115,017.60	26,098,976.97

XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

3. Long-term equity investments (Continued)

(2) Investments in associates and joint ventures

Investee	Opening balance (carrying amount)	Opening balance of provision for impairment	Changes in the current year: Increase investment	Decrease investment	Investment gains and losses recognised under the equity method	Adjustments to other comprehensive income	Other changes in equity	Distribution of cash dividends or profits	Provision for impairment accrued	Others	Closing balance (carrying amount)	Closing balance of provision for impairment
Joint venture	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II. Associate												
Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司)	0.00	0.00	1,507,725,800.00	0.00	279,912,623.69	0.00	1,821,559.71	0.00	0.00	0.00	1,789,459,983.40	0.00
Sub-total	0.00	0.00	1,507,725,800.00	0.00	279,912,623.69	0.00	1,821,559.71	0.00	0.00	0.00	1,789,459,983.40	0.00
Total	0.00	0.00	1,507,725,800.00	0.00	279,912,623.69	0.00	1,821,559.71	0.00	0.00	0.00	1,789,459,983.40	0.00

XVII. NOTES TO KEY ITEMS OF FINANCIAL STATEMENTS OF THE PARENT COMPANY (Continued)

4. Operating revenue, operating cost

Items	Amount recognized in current year Revenue	Cost
Main businesses	**1,889,382,026.34**	**1,613,606,965.06**
Other businesses	**869,225,243.02**	**775,190,213.69**
Total	**2,758,607,269.36**	**2,388,797,178.75**

Items	Amount recognized in previous year Revenue	Cost
Main businesses	2,418,580,353.31	2,456,328,440.28
Other businesses	1,372,475,515.26	1,252,627,300.20
Total	3,791,055,868.57	3,708,955,740.48

5. Investment income

Items	Amount recognized in current year	Amount recognized in previous year
Income from long-term equity investments under the cost method	**56,933,514.15**	1,816,009,831.89
Income from long-term equity investments under the equity method	**279,912,623.69**	0.00
Investment income from disposal of long-term equity investments	**2,440,629.14**	-3,503,153.90
Dividend income received in the period of holding other equity instrument investments	**4,685,157.00**	0.00
Investment income from financial wealth products in the period of holding	**11,875,002.82**	7,225,097.26
Investment income from financial and derivative instruments	**-162,110,471.25**	3,639,885.82
Total	**193,736,455.55**	1,823,371,661.07

6. Others

Nil.

SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS

1. Breakdown of non-recurring profit or loss in the current year

Items	Amount in current year	Explanation
Gains and losses on disposal of non-current assets (including the write-off of provision for impairment of assets)	23,817,919.76	Mainly includes disposal gains and losses arising from the disposal of assets intended for scrapping or idle assets, as well as the transfer of long-term equity investments
Government grants included in the current profits and losses (except those that are closely related to the normal business operations of the Company, comply with the national policies and regulations, are enjoyed in accordance with the established standards, and have a continuous impact on the profits and losses of the Company)	67,462,662.20	Mainly includes government grants received in relation to income
Gains and losses arising from changes in the fair value of financial assets and financial liabilities held by non financial enterprises, and gains and losses arising from the disposal of financial assets and financial liabilities, except for effective hedging business related to the normal business operations of the Company	-182,905,393.10	Mainly includes: 1. gains and losses on the closing of futures positions that do not meet the requirements for hedge eligibility; 2. investment income arising from the disposal of other financial assets held for trading
Funds utilization fees collected from non-financial enterprises included in the profit or loss for the period	0.00	
Gains and losses on entrusted investments or management of assets	0.00	
Gains and losses from external entrusted loan	0.00	
Loss of assets due to force majeure, such as natural disasters	0.00	
Reversal of provision for impairment of receivables individually tested for impairment	0.00	
Gains from the excess of the fair value of identifiable net assets of the investee attributable to the enterprise at acquisition over the investment costs for the subsidiaries, associates, and joint ventures	0.00	
Net gains or losses for the period of subsidiaries arising from a business merger under common control from the beginning of the period to the date of combination	0.00	

SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS (Continued)

1. Breakdown of non-recurring profit or loss in the current year (Continued)

Items	Amount in current year	Explanation
Gains and losses from the exchange of non-monetary assets	0.00	
Gains and losses from debt restructuring	0.00	
Non-recurring expenses incurred by the enterprise due to the fact that the relevant business activities are no longer continuing, such as the expenses for the placement of employees	0.00	
Non-recurring impact on current profit and loss due to the adjustment of tax, accounting, and other laws and regulations	0.00	
Non-recurring share-based payment expenses recognized due to the cancellation or modification of the equity incentive plan	0.00	
Gains and losses arising from changes in the fair value of employee remuneration payable after the vesting date for cash-settled share-based payments	0.00	
Gains and losses from the changes in fair value of investment properties measured by the fair value model subsequently	0.00	
Gains from transactions where the transaction price is clearly unfair	0.00	
Gains and losses arising from contingencies unrelated to the normal business operations of the Company	0.00	
Entrust fee income from entrusted operation	0.00	
Other non-operating revenue and expenditures apart from the above	-70,916,914.00	
Other items of profit or loss meeting the definition of non-recurring profit or loss	4,685,157.00	Mainly includes dividend income received from investments in other equity instruments during the holding period
Sub-total	-157,856,568.14	
Less: Effect of income tax	-24,377,865.27	
Effect of non-controlling interest (after tax)	581,989.01	
Total	-134,060,691.88	—

The Company classifies items not listed in the Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No. 1 — Non-recurring Gains or Losses (Revised in 2023) as a non-recurring gains or losses items with significant amount and classifies listed non-recurring gains or losses items as recurring gains or losses items:

Nil.

SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS (Continued)

2. Return on net assets and earnings per share

Profit during the Reporting Period	Return on net assets on weighted average basis (%)	Earnings per share (RMB/share) Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the parent company	-3.7448	-0.8430	-0.8430
Net profit attributable to ordinary shareholders of the parent company after deduction of non-recurring profit or loss	-3.3214	-0.7492	-0.7492

3. Differences between financial statements prepared in accordance with domestic and overseas accounting standards

(1) Differences between net profit and net assets in the financial statements disclosed under the international accounting standards and under the PRC GAAP

Nil.

(2) Differences between net profit and net assets in the financial statements disclosed under the accounting standards applied by overseas regions and under the PRC GAAP

Nil.

4. Others

Nil.

Xinte Energy Co., Ltd.
27 March 2026

新特能源股份有限公司
Xinte Energy Co., Ltd.