XINYI ENERGY HOLDINGS LIMITED
信義能源控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

Stock Code : 03868

2025 ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. LEE Shing Put, B.B.S. *(Chairman)* ø~=
Tan Sri Datuk TUNG Ching Sai
P.S.M, D.M.S.M, J.P. *(Vice Chairman)* ø<
Mr. TUNG Fong Ngai *(Chief Executive Officer)* ^
Mr. LEE Yau Ching=

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LEUNG Ting Yuk *ø<=
The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. #+<=
Ms. LYU Fang #ø<=

* Chairman of audit committee
\# Members of audit committee
\+ Chairman of remuneration committee
ø Members of remuneration committee
~ Chairman of nomination committee
< Members of nomination committee
^ Chairman of acquisition committee
= Members of acquisition committee

COMPANY SECRETARY

Mr. CHU Charn Fai, CPA

REGISTERED OFFICE

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Wickhams Cay I
Road Town
Tortola, VG1110
British Virgin Islands

PRINCIPAL PLACE OF BUSINESS IN CHINA

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Wuhu City
Anhui Province
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
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Quarry Bay, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
DBS Bank (Hong Kong) Limited
China Merchants Bank Co., Ltd
Huishang Bank Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BRITISH VIRGIN ISLANDS

Ocorian Corporate Services (BVI) Limited
Jayla Place, Wickhams Cay I
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Road Town, Tortola, VG1110
British Virgin Islands

HONG KONG SHARE REGISTRAR

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Wanchai, Hong Kong

WEBSITE

https://www.xinyienergy.com

SHARE INFORMATION

Place of listing: Main Board of The Stock Exchange of Hong Kong Limited
Stock Code: 03868
Listing date: 28 May 2019
Board lot: 2,000 ordinary shares
Financial year end date: 31 December
Share price as of 31 December 2025: HK$1.10
Market capitalisation as of 31 December 2025: Approximately HK$9.37 billion

KEY DATES

Closure of register of members for the purpose of determining the entitlement to attend and vote at the Annual General Meeting: Tuesday, 26 May 2026 to Friday, 29 May 2026 (both days inclusive)
Record date of Annual General Meeting: Friday, 29 May 2026
Date of Annual General Meeting: Friday, 29 May 2026
Closure of register of members for the purpose of determining the entitlement to the final dividend: Thursday, 4 June 2026 to Monday, 8 June 2026 (both days inclusive)
Record date of proposed final dividend: Monday, 8 June 2026
Proposed final dividend payable date: On or about Wednesday, 29 July 2026

CHAIRMAN'S STATEMENT

Dear Shareholders

On behalf of the board (the "**Board**") of director (the "**Directors**") of Xinyi Energy Holdings Limited (the "**Company**" or "**Xinyi Energy**"), I am pleased to present the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2025 (the "**FY2025**"), together with the comparative figures for the year ended 31 December 2024 (the "**FY2024**").

BUSINESS REVIEW

Continuous contribution from the renewable energy portfolio

For the FY2025, the electricity generated by the renewable energy projects owned and operated by the Group increased by 10.1% as compared to 2024, which was primarily attributable to the full-year operation of the renewable energy projects acquired in 2024 (the "**2024 Portfolio**") and the newly acquired renewable energy projects in 2025 (the "**2025 Portfolio**"). The total revenue generated from the 2024 Portfolio and the 2025 Portfolio amounted to RMB278.84 million, representing 11.4% of the total revenue of the Group. However, the electricity curtailment loss arising from the grid consumption constraints and the increase in the number and the volume of the Market-Based Electricity Trading (the "**Market-Based Electricity Trading**"), partial offset the increase in the revenue in the FY2025. This resulted in a slight increase in the revenue of the Group of 0.5% only.

With the acquisition of three solar farm projects and one wind farm project, which comprised the 2025 Portfolio, the Directors expect that the Group's annual results for 2026 could reflect the full performance of the 2025 Portfolio.

Capacity of renewable energy projects increased in 2025

As the government of the People's Republic of China (the "**PRC**") promulgated the targets of achieving carbon peaking by 2030 and carbon neutrality by 2060, the nation has undertaken a series of systematic planning and deployment measures, providing a strong impetus for the deep transformation of the energy system through a series of policy measures, including optimising the energy mix, promoting the green technological innovation, improving the regulatory framework and deepening the global climate cooperation. In 2025, the PRC's photovoltaic industry has achieved a globally leading position in terms of the scale of the production capacity, power generation costs, technological capability and the international market share. It has not only become a core engine driving the domestic energy decarbonisation and the achievement of the dual carbon goals, but also made a significant contribution to the global efforts in addressing the climate change. Under the dual drivers of policy support and technological innovation, the PRC's photovoltaic industry continues to consolidate its leading position, with innovation vitality and market competitiveness ranking among the highest globally.

In January 2025, the National Energy Administration of China (the "**NEA**") promulgated the Administrative Measures for the Development and Construction of Distributed Photovoltaic Power Generation (the "**Distributed PV Measures**"), which clearly provide that distributed PV projects connected to the grid before 1 May 2025 may enjoy fixed subsidies for a period of 20 years, whereas the newly constructed projects connected to the grid after 1 May 2025 will be fully subject to market-based mechanism without any government subsidies and investment returns will be determined entirely by the market supply and demand. In February 2025, the National Development and Reform Commission (the "**NDRC**") and the NEA jointly issued the Notice on Deepening the Market-oriented Reform of Electricity Tariffs for New Energy and Promoting the High-quality Development of New Energy (the "**Reform Notice**"), which requires that existing projects connected to the grid before 1 June 2025 to be transitioned under the prevailing policies through a differential settlement mechanism, while the new projects connected to the grid after 1 June 2025 will be subject to dynamic adjustments based on the fulfilment of the regional new energy development targets, with the electricity tariffs to be determined by the local governments through the market-based competitive bidding.

At the same time, all guaranteed grid-connection projects approved in 2023/2024 are required to achieve full-capacity grid connection by 1 June 2025. Any project which fails to achieve this requirement has been removed from the relevant lists and no longer enjoys the guaranteed status. On the other hand, pursuant to the electricity pricing policies of the NDRC, projects approved or filed for record before the end of 2023 and participating in the transitional tariff mechanism in 2025 are required to achieve full-capacity grid connection by the end of 2025 in order to continue to enjoy stable returns equivalent to the benchmark coal-fired power tariff. Projects that fail to connect to the grid are subject to the tariff mechanism in the following year, with a substantial proportion entering the market-based electricity trading, thereby significantly increasing revenue uncertainty. Against this backdrop, the PV developers, in order to avoid the loss of guaranteed grid-connection eligibility, have accelerated the construction progress, resulting in an accelerated increase in the grid connection by the end of 2025. Together with the "installation push" triggered by the Distributed PV Measures and the Reform Notice, these resulted in the increase in the total newly installed PV capacity in 2025 to more than 316.57 gigawatts, firmly establishing photovoltaics as the third principal power source in the PRC, after thermal power and hydropower, and further underscoring its increasingly consolidated strategic position within the national energy mix.

During the FY2025, the Group acquired from Xinyi Solar Holdings Limited ("**Xinyi Solar**") and its subsidiaries (collectively referred to as "**Xinyi Solar Group**") three utility-scale solar farm projects under grid-parity regime in the PRC with aggregate approved capacity of 230 megawatts ("**MW**"). The Group will continue to make the acquisition from Xinyi Solar as and when appropriate taking into account various factors such as electricity curtailment loss, the dynamics of Market-Based Electricity Trading, the strategic important of high power consumption regions and the assurance of stable and attractive investment returns. The Group will also proactively identify and evaluate other renewable energy projects with strong potential for sustainable profitability.

During the FY2025, the Group disposed of 51% equity interest in a utility-scale solar farm project in the PRC under the grid-parity regime, with an aggregate approved capacity of 174 MW, to an independent third party. The project is still under the management of the Group, and the Group will also be entitled to 49% of the profit from operation of the project.

As of 31 December 2025, the aggregate approved capacity of utility-scale renewable energy projects owned and operated by the Group amounted to 4,804.5 MW, comprising 1,798 MW under the (feed-in tariff) FiT regime and 3,006.5 MW under the grid-parity regime, while the solar farm projects with an aggregate capacity of 174MW is accounted for using the equity method. The operating cash flow of the Group has steady improved, primarily due to the growing number of the solar farm projects under the grid-parity regime.

BUSINESS OUTLOOK

The Reform Notice was officially issued in February 2025 which require all new projects launched after 1 May 2025 to be fully integrated into market-based mechanisms, with feed-in tariffs determined through market-driven methods. This move signifies the gradual transition of the new energy industry from a policy-driven model to a market-driven model. During the year, all PRC provinces have successively released detailed rules (consultation paper) for the Reform Notice, with relevant implementation policies being rolled out in phases. It is anticipated that the benchmark electricity prices and the power generation hours for the Group's existing projects will be guaranteed to a certain extent.

In April 2025, the Office of the National Development and Reform Commission and the General Office of the National Energy Administration jointly issued the Notice on Comprehensively Accelerating the Construction of the Electricity Spot Market (《關於全面加快電力現貨市場建設工作的通知》) (the "**Spot Market Notice**"), which aims to expand China's electricity spot markets from pilot programs to nationwide coverage, establish a market-based electricity pricing mechanism that allows fluctuations in prices, and enable electricity prices to be determined through real-time market competition. The Spot Market Notice requires provinces already in settlement trial operation achieving transition to formal operation as soon as possible, and explicitly specifies that most provinces or regions nationwide shall initiate spot market trial operations by the end of 2025. Furthermore, the Spot Market Notice stipulates that all medium- and long-term power contracts suitable for spot trading shall be settled in the spot market. The Spot Market Notice serves as an action plan, moving beyond the local pilot programs to a nationwide rollout and accelerated development. Its core objective is to establish price signals reflecting real-time supply-demand dynamics and costs through a spot market where all the electricity generated is subject to tariff bidding and real-time clearing, which will further drive cost reduction and efficiency gains on the power generation side, promote rational electricity consumption from users, and ultimately contribute to building a new power system centered on new energy and achieving the dual carbon goals.

In September 2025, the NDRC and the NEA jointly issued the Notice on Improving Price Mechanisms to Promote Local Consumption of New Energy Power Generation (《關於完善價格機制促進新能源發電就近消納的通知》) (the "**Consumption Notice**"), which addresses the consumption pressure arising from the rapid growth of the new energy in certain regions and proposes advancing the priority consumption of new energy power within the provincial power grid where the power enterprises are located and in surrounding areas through improved price mechanisms. The Consumption Notice has served as a core policy document on the orderly development of new energy. In areas facing consumption problems, the new energy enterprises may encounter lower feed-in tariffs, in order to incentivize companies to actively participate in local market transactions or invest in facilities such as energy storage to enhance electricity consumption capacity.

The Reform Notice, Spot Market Notice and Consumption Notice collectively provide the orientation of institutional development for the PRC's electricity market. The PRC is accelerating the construction of a new electricity market framework centered on a unified national electricity market system, with spot electricity markets as its core and market-based pricing mechanisms as its key, which aims for efficient new energy power consumption, supporting their role as primary power sources and ultimately achieving the dual carbon goals.

The market mechanism is primarily designed for addressing three core challenges posed by high grid integration of new energy, namely security, consumption and efficiency. The relevant policies issued aim to maximise new energy consumption capacity at both national and regional levels by promoting full participation of power companies in market transactions and refining local consumption pricing mechanisms, in order to effectively alleviate consumption pressures and ensure the orderly development of new energy.

CHAIRMAN'S STATEMENT

With the continuous development of the photovoltaic market, the power trading models are gradually evolving toward market-based mechanisms. However, certain market-based transaction prices remain lower than the traditional feed-in tariffs, resulting in a decline in the Group's electricity revenue. In response to the changing policy environment, the Group is actively adjusting its operational strategies and promoting integrated short-term and mid-long-term deployments to enhance its adaptability to market-based transactions. For mid-long-term strategies, the Group has signed mid-long-term power purchase agreements with end-users or power retailers to stabilise electricity sales prices and revenue ranges, and mitigate the risks arising from market price fluctuations. For short-term strategies, the Group has established a dedicated market-based trading team and built an electricity trading platform, which integrates power forecasting with artificial intelligence models to enhance real-time analysis capabilities regarding electricity price trends and supply-demand changes, thereby strengthening decision-making efficiency and operational flexibility. By integrating the short-term and the mid-long-term strategies, the Group will continue to drive the digital and intelligent upgrade of its electricity trading mechanisms, refine risk control processes, and further enhance its competitive edge in the market.

The Group is in progress for the establishment of an infrastructure securities investment fund with injection of selected solar farm assets for listing on a stock exchange in the PRC. This initiative will facilitate a partial realisation of the value of the Group's portfolio of solar farms, reduce the Group's exposure to fixed assets and increase the financial flexibility. As of 31 December 2025, the relevant plan is still ongoing.

In recent years, significant interest rate differentials have emerged between the domestic and offshore markets, with the offshore lending rates reaching at a level that is higher than those for the domestic loans in the PRC. To effectively control the Group's financial expense, the Group has increased its domestic long-term bank loans since 2024, so as to reduce its existing offshore short-term loans. As of 31 December 2025, only 30.1% of the Group's bank loans were short-term borrowings, as compared to 34.7% as of 31 December 2024, which has reflected the continuous improvement in the Group's capital structure stability and risk management capabilities. This initiative not only effectively alleviates short-term financing pressures but also helps reduce the actual annual interest rate on bank loans, thereby lowering overall financing costs.

To further diversify the geographical coverage of the Group's solar farms, the Group successfully secured for a large-scale solar farm project in the Malaysia with an approved capacity of 100 MW by one of the Group's joint ventures in 2024, the construction of which has commenced since the second half of 2025 and the completion of the grid connection is expected to be around the end of 2026. The joint venture is established with an independent third party. The Group will continue to expand its business footprint in the Malaysia and actively participate in the bidding for the large-scale solar power projects in the country.

In addition its project in the Malaysia, the Group is also actively seeking promising new energy investment opportunities in other overseas markets to further expand its business coverage, enhance asset returns, and generate more stable and growth-oriented long-term investment returns for Shareholders.

LEE Shing Put, B.B.S.
Chairman

Hong Kong, 27 February 2026

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

FINANCIAL REVIEW

Revenue

For the FY2025, the Group's revenue was mainly derived from two sources, namely (i) renewable energy electricity generation and (ii) the provision of the solar farm operation and management services. Revenue from solar power electricity generation increased, due to contribution from the 2024 Portfolio and the 2025 Portfolio, as compared to 2024.

The table below sets forth an analysis of the Group's revenue for the FY2025, as compared to the FY2024.

	2025		2024		Change	
						Increase/ (decrease)
	RMB' million	***%***	*RMB' million*	*%*	*RMB' million*	*in %*
Sales of electricity	**1,528.4**	**62.3**	1,464.2	60.0	64.2	4.4
Tariff adjustment	**915.9**	**37.3**	964.8	39.5	(48.9)	(5.1)
	2,444.3	**99.6**	2,429.0	99.5	15.3	0.6
Operation and management services	**9.0**	**0.4**	11.4	0.5	(2.4)	(21.1)
Total	**2,453.3**	**100.0**	2,440.4	100.0	12.9	0.5

The Group's revenue contributed by sales of electricity and tariff adjustment net of deduction increased by 4.4% to RMB1,528.4 million and decreased by 5.1% to RMB915.9 million, respectively, as compared to the FY2024. The increase in total revenue was primarily attributable to the contribution of the 2024 Portfolio and the 2025 Portfolio, which was, however, offset by the impact of grid consumption constraints and increase in the number and the volume of the Market-Based Electricity Trading during the year.

During the FY2025, the Group's revenue from renewable electricity generation was contributed by the following renewable energy projects:

Name of the renewable energy projects	Location in the PRC	Approved capacity *(MW)*
Initial solar farm projects owned and operated by the Group *(Note)*	Nine solar farm projects located in Anhui Province, Fujian Province, Hubei Province and Tianjin Municipality	954
Solar farm projects newly added in 2019 ("**2019 Portfolio**")	Six solar farm projects located in Anhui Province, Hubei Province and Henan Province	540
Solar farm projects newly added in 2020 ("**2020 Portfolio**")	Five solar farm projects located in Anhui Province, Hubei Province and Guangdong Province	340
Solar farm projects newly added in 2021 ("**2021 Portfolio**")	Eight solar farm projects located in Anhui Province, Hubei Province, Hebei Province and Guangdong Province	660
Solar farm projects newly added in 2022 ("**2022 Portfolio**")	Seven solar farm projects located in Hubei Province, Hebei Province,Shaanxi Province and Inner Mongolia Autonomous Region	520
Solar farm projects newly added in 2023 ("**2023 Portfolio**")	Four solar farm projects located in Hainan Province, Guangdong Province and Anhui Province	636.5
Solar farm projects newly added in 2024 ("**2024 Portfolio**")	Seven solar farm projects located in Guangdong Province, Yunnan Province and Anhui Province	860
Solar farm and wind farm projects newly added in 2025 ("**2025 Portfolio**")		
Sanshan Gaoan Solar Farm	Anhui Province	30
Kaiping Jinji Solar Farm	Yunnan Province	100
Yunfu Solar Farm	Yunnan Province	100
Jinzhai Wind Farm	Anhui Province	64
		294
		4,804.5

Note:

During the FY2025, the Group disposed of a 51% equity interest in Xinyi Solar (Tianjin) Limited ("**Xinyi Solar (Tianjin)**"), the sole owner and operator of Tianjin Huanggang Zone Solar, a solar farm located in Tianjin Municipality with an approved capacity of 174 MW. Upon completion of the disposal, Xinyi Solar (Tianjin) ceased to be a subsidiary of the Group, while the Group retains its entitlement to share the results from the 49% equity interest in Xinyi Solar (Tianjin).

The Group recorded revenue of RMB9.0 million from the provision of solar farm operation and management services for the FY2025, representing 0.4% of the total revenue. Pursuant to the Solar Farm Operation and Management Agreement, Xinyi Solar has agreed to engage the Group to operate and manage its connection-ready solar farm projects. All of the revenue in 2025 generated from the services provided to Xinyi Solar was on commercial terms, taking into consideration factors such as service quality, work efficiency and price, as compared with the services provided to independent third parties. The decrease in revenue from provision of solar farm operation and management services was primarily attributable to the reduced number of the connection-ready solar farm projects when compared to 2024.

Cost of sales

For the FY2025, the Group has continued to achieve an effective and efficient operation with lower costs through enhancement on the sophisticated management for individual solar farms and a nationwide centralised surveillance system.

In 2025, the Group's cost of sales increased by 11.5% to RMB937.2 million from RMB840.7 million in 2024. The increase was mainly due to the increase in (i) employee benefit expenses; (ii) electricity costs; (iii) the depreciation charge of property, plant and equipment and right-of-use assets of the 2024 Portfolio and the 2025 Portfolio; and (iv) the repair and maintenance expenses.

Gross profit

The Group's gross profit decreased by 5.2% to RMB1,516.0 million during the FY2025 from RMB1,599.7 million for the FY2024. The decrease was mainly due to the increase in the amount of the cost of sales which outweighed the increase in the revenue as compared to 2024.

The gross profit margin of the Group in 2025 slightly decreased by 3.8 percentage points to 61.8% from 65.6% in 2024. The decrease was mainly due to the increase in the cost of sales, which exceeded the increase in revenue. The cost of sales mainly comprised the depreciation charges of property, plant and equipment and right-of-use assets. As such, it remained fixed and did not adjust downward in response to the revenue decline caused by electricity curtailment losses.

Other income

The amount of other income for the FY2025 was RMB39.5 million, as compared to RMB22.9 million for the FY2024. The increase was primarily due to the increase in (i) the receipt of government grants; (ii) the receipt of insurance compensation; and (iii) the miscellaneous incomes.

Other gains/(losses), net

The Group recorded other gains, net of RMB93.3 million for the FY2025, as compared with other losses, net of RMB37.7 million for the FY2024. The significant increase was mainly due to (i) the gain of disposal of a subsidiary and (ii) the foreign exchange gains in 2025 compared to foreign exchange losses gains in 2024, partially offset by the increase in impairment loss of goodwill.

Administrative expenses

For the FY2025, the Group's administrative expenses increased by RMB12.7 million from RMB48.5 million for the FY2024 to RMB61.2 million for the FY2025. The increase was mainly due to (i) the increase in miscellaneous expenses; (ii) the increase in insurance expenses; and (iii) the increase in employee benefit expenses.

Finance costs

For the FY2025, the finance costs of the Group amounted to RMB277.5 million, as compared to RMB364.8 million for the FY2024. The interest expense on bank borrowings decreased from RMB319.5 million for the FY2024 to RMB225.2 million for the FY2025. The decrease was primarily due to the declined in the bank borrowing's effective interest rate during the year. The interest component on lease liabilities slightly increased to RMB52.3 million from RMB45.3 million for the FY2024, due to the completion of acquisitions of the 2024 Portfolio and the 2025 Portfolio.

Income tax expense

The Group incurred income tax expense of RMB301.9 million during the FY2025, as compared to RMB376.2 million for the FY2024. The decrease was mainly due to the decrease in the amount of the PRC withholding tax on the dividends remitted from the PRC during the year, partially offset by (i) 26 (2024: 17) solar farm projects commencing full payment of the PRC corporate income tax at the statutory rate of 25% and (ii) the impact of the increase in profit before income tax of the solar farm projects which subjected to the payment of the PRC corporate income tax.

EBITDA and net profit

For the FY2025, the EBITDA (earnings before interest, taxation, depreciation and amortisation) was RMB2,368.8 million, representing an increase of 6.1% as compared to RMB2,232.0 million in 2024. The EBITDA margin slightly increased by 5.1 percentage point from 91.5% for the FY2024 to 96.6% during the FY2025.

Net profit attributable to the equity holders of the Company during the FY2025 was RMB1,010.7 million, representing an increase of 27.8% as compared to RMB790.9 million for the FY2024. The increase in the net profit margin from 32.4% for the FY2024 to 41.2% during the FY2025 was primarily due to (i) the gain of disposal of a subsidiary; (ii) the decrease in finance costs; and (iii) the decrease in the income tax expenses partially offset by the decrease in gross profit margin.

Liquidity and Financial Resources

As of 31 December 2025, the Group's total assets increased by 3.5% to RMB22,416.2 million and net assets increased by 5.9% to RMB13,238.3 million. Current ratio of the Group as of 31 December 2025 was 1.9, as compared to 1.6 as of 31 December 2024, mainly due to (i) the increase in cash and cash equivalents and (ii) the decrease in the current portion of bank borrowings, partially offset by the decrease in trade and other receivables.

The Group's net debt gearing ratio (bank borrowings minus cash and cash equivalents divided by total equity) as of 31 December 2025 was 47.9% (31 December 2024: 55.8%). The decrease was mainly due to the increase in cash and cash equivalent arising from the receipt of tariff adjustment subsidies.

As of 31 December 2025, the Group's financial position remained healthy, with the cash and cash equivalents balance at RMB950.6 million. During the FY2025, net cash generated from operating activities was RMB1,651.0 million (2024: RMB956.2 million), which was primarily attributable to (i) the profit before income tax of RMB1,311.5 million (2024: RMB1,167.7 million); (ii) decrease in trade and other receivables; (iii) decrease in interest paid; and (iv) decrease in income tax paid. Net cash used in investing activities amounted to RMB655.4 million (2024: RMB2,296.0 million), which was primarily attributable to payment for capital expenditure for the 2024 Portfolio and the 2025 Portfolio and the settlement of outstanding capital expenditure for renewable energy projects which had previously completed construction during the year. Net cash used in financing activities amounted to RMB398.4 million (2024: net cash generated of RMB1,104.9 million) which was primarily attributable to the repayments of bank borrowings of RMB2,713.2 million and dividends paid in cash to the Shareholders during the year, partially offset by the new bank borrowing of RMB2,680.0 million during the year.

CAPITAL EXPENDITURES AND COMMITMENTS

In 2025, the Group incurred capital expenditures of RMB984.0 million, mainly used for (i) the acquisition and further refinement of the renewable energy projects and (ii) the settlement of outstanding capital expenditures of the existing renewable energy projects. As of 31 December 2025, the Group did not have any capital commitments (2024: Nil).

PLEDGE OF ASSETS

The Group did not have any pledged asset as security for bank borrowings as of 31 December 2025 (2024: nil).

CONTINGENT LIABILITIES

As of 31 December 2025, the Group did not have any significant contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

During the FY2025, the Group completed the acquisition of three solar farm projects from Xinyi Solar and a wind farm project from Xinyi Glass Holdings Limited ("**Xinyi Glass**") (stock code: 00868) and Xinyi Electric Storage Holdings Limited ("**Xinyi Electric Storage**") (stock code: 08328). Please refer to the announcements of the Company dated 28 April 2023, 28 February 2024, 23 December 2025 and 16 January 2026 for further details.

During the FY2025, the Group completed the disposal 51% equity interest of a solar farm project to an independent third party. Please refer to the announcements of the Company dated 20 November 2025 and 17 December 2025 for further details.

Save as disclosed above, the Group did not have any material acquisition and disposal of subsidiaries for the FY2025.

TREASURY POLICIES AND EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group's renewable energy projects are in the PRC with most of the transactions denominated and settled in RMB. The Group is exposed to foreign exchange risks on certain cash and cash equivalents and bank borrowings denominated in foreign currencies, the majority of which are denominated in HK$. As part of the treasury policies, the Group would strike a deliberate balance between the risk of currency mismatch and the interest rate differentials in HK$ and RMB borrowings. The Group commenced the drawdown from onshore bank borrowings since the first half of 2023. As of 31 December 2025, the majority of the bank borrowings were denominated in RMB.

During the FY2025, the Group has not experienced any material difficulties and liquidity problems resulting from the currency exchange rate fluctuation. However, the Group may use financial instruments for hedging purposes as and when required. For the FY2025, the Group did not use any financial instrument for hedging purpose.

EMPLOYEES AND REMUNERATION POLICY

The Group highly values its employees, sharing mutual benefits and growth with them. The Group constantly explores each employee's potential and ability. Likewise, the Group will continue to hire new employees as and when appropriate to support its business development.

As of 31 December 2025, the Group had 457 full-time employees in total in Hong Kong and the PRC. Total staff costs, including Directors' emoluments was RMB68.8 million for the FY2025. Its employees are remunerated based on their qualifications, job nature, performance and working experiences plus reference to the prevailing market rate. Apart from basic remuneration and discretionary bonus, the Group also provides mandatory provident fund scheme to employees in Hong Kong and statutory social welfare contribution to employees in the PRC, adhering to the local laws and regulations.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

CHAIRMAN AND EXECUTIVE DIRECTOR

Mr. LEE Shing Put, B.B.S. (李聖潑), aged 48, is an executive Director, the Chairman of the Board, the chairman of the Nomination Committee and a member of the Remuneration Committee and the Acquisition Committee. Prior to joining the Group, Mr. LEE Shing Put, B.B.S. had been engaged in information technology and investment businesses since 2021. Mr. LEE Shing Put, B.B.S. graduated from the Hong Kong University of Science and Technology in 2000 with a bachelor's degree in business administration majoring in finance and economics. Mr. LEE Shing Put, B.B.S. also completed the Executive MBA programme held by Peking University in 2016. Mr. LEE Shing Put, B.B.S. also is Honorary Fellow of The Hong Kong University of Science and Technology. Mr. LEE Shing Put, B.B.S. is an executive director and the Vice Chairman of the Board of Xinyi Solar (stock code: 00968), a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). He was also appointed as the Chief Executive Officer of Xinyi Solar since 1 April 2024. Mr. LEE Shing Put, B.B.S. is currently a member of the 13th Guangdong Provincial Standing Committee of the Chinese People's Political Consultative Conference (廣東省政協第十三屆委員會常委) and the Hong Kong Deputy to the 14th National People's Congress. Mr. LEE Shing Put, B.B.S. is a cousin of Mr. LEE Yau Ching, the executive Director, and Mr. TUNG Fong Ngai, the executive Director and the Chief Executive Officer of the Company, and a nephew of Tan Sri Datuk TUNG Ching Sai J.P. , the executive Director and the Vice Chairman of the Board.

EXECUTIVE DIRECTORS

Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* (董清世), aged 60, is an executive Director and the Vice Chairman of the Board and a member of the Nomination Committee and the Remuneration Committee. Tan Sri Datuk TUNG Ching Sai *J.P.* has been responsible for the formulation and implementation of the business strategies of the Group since the commencement of construction of the first utility-scale ground-mounted solar farm project at the beginning of 2014. Tan Sri Datuk TUNG Ching Sai *J.P.* joined the Group in December 2013. Tan Sri Datuk TUNG Ching Sai *J.P.* has over 15 years of experience in the power industry and more than 37 years of experience in glass manufacturing industry. Tan Sri Datuk TUNG Ching Sai *J.P.* is currently an executive director and Chief Executive Officer of Xinyi Glass (stock code: 00868) and a non-executive director and vice chairman of the board of Xinyi Solar (stock code: 00968), both of which are listed on the main board of the Stock Exchange, and a non-executive director and chairman of the board of Xinyi Electric Storage (stock code: 08328), a company listed on the GEM of the Stock Exchange.

Tan Sri Datuk TUNG Ching Sai *J.P.* is a member of The National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議全國委員會委員), standing committee member of The Guangxi Zhuang Autonomous Region of the Chinese People's Political Consultative Conference (中國人民政治協商會議廣西壯族自治區委員會常委), the Vice Chairman of the China Architectural and Industrial Glass Association (中國建築玻璃與工業玻璃協會), a member of the Executive Committee of the All-China Federation of Industry and Commerce (全國工商聯執行委員會委員), chairman of the Happy Hong Kong Foundation, and the president of Hong Kong Industrial & Commercial Association. Tan Sri Datuk TUNG Ching Sai *J.P.* obtained the Third Shenzhen Municipal Ten Outstanding Young Entrepreneurs Award in 2001 and was awarded the Young Industrialist Awards of Hong Kong in 2006. Tan Sri Datuk TUNG Ching Sai *J.P.* obtained from the Sun Yat-Sen University a Senior Executive Master's Degree in Business Administration in 2007.

Tan Sri Datuk TUNG Ching Sai *J.P.* is an uncle of Mr. LEE Shing Put, B.B.S, an executive Director and the Chairman of the Board and Mr. TUNG Fong Ngai, an executive Director and the Chief Executive Officer of the Company.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

Mr. TUNG Fong Ngai (董貺漄), aged 38, is an executive Director, the Chief Executive Officer and the chairman of the Acquisition Committee. Mr. TUNG Fong Ngai is principally responsible for overseeing the daily business operations of the Group and evaluating potential solar farm acquisition and investment opportunities. Mr. TUNG Fong Ngai joined the Group in March 2016. Since then, Mr. TUNG Fong Ngai has been overseeing the Solar Farm Operation Business. Mr. TUNG Fong Ngai joined Xinyi Glass in September 2012 as an executive assistant and was mainly responsible for project-related supervision and coordination. During the period between November 2012 and March 2016, Mr. TUNG Fong Ngai was the Chief Operating Officer of Xinyi Electronic Glass (Wuhu) Company Limited, a subsidiary of Xinyi Glass.

Mr. TUNG Fong Ngai graduated from the University of Melbourne with a bachelor's degree in Commerce in 2010 and obtained a master's degree in business administration from Tsinghua University in 2012. Mr. TUNG Fong Ngai is currently a committee member of the 13th Anhui Provincial of the Chinese People's Political Consultative Conference (安徽省政協第十三屆委員會委員).

Mr. TUNG Fong Ngai is a nephew of Tan Sri Datuk TUNG Ching Sai *J.P.*, an executive Director and the Vice Chairman of the Board and a cousin of Mr. LEE Shing Put, B.B.S., an executive Director and the Chairman of the Board.

Mr. LEE Yau Ching (李友情), aged 50, is an executive Director and a member of the Acquisition Committee. Mr. LEE Yau Ching is mainly responsible for formulating the overall business strategies of the Group and planning and identifying suitable acquisition opportunities of solar farm projects. Mr. LEE Yau Ching joined the Group in December 2013 and has over 11 years of experience in the power industry. Mr. LEE Yau Ching is currently an executive director of Xinyi Solar (stock code: 00968), a company listed on the main board of the Stock Exchange. He was the Chief Executive Officer of Xinyi Solar from November 2010 to March 2024.

Upon graduating from The Hong Kong University of Science and Technology in 1999 with a bachelor's degree in business administration majoring in finance, Mr. LEE Yau Ching joined Xinyi Glass in June 1999. From June 1999 to February 2004, Mr. LEE Yau Ching worked in various departments of Xinyi Glass, including overseas sales, finance, production and sales of construction glass and production and sales of automobile glass. From February 2004 to January 2006, Mr. LEE Yau Ching was the Chief Marketing Officer of Xinyi Glass and was responsible for planning the overall marketing strategy and overseeing the marketing department. From February 2006 to February 2011, Mr. LEE Yau Ching was the Chief Operation Officer of Xinyi Glass. Mr. LEE Yau Ching has started the management of the Solar Glass Business from the middle of 2006. From November 2010 to March 2024, he has been the Chief Executive Officer of Xinyi Solar and is mainly responsible for overseeing the business and daily operation of the Xinyi Solar Group. Mr. LEE Yau Ching was awarded the "Young Industrialist Awards of Hong Kong 2014".

Mr. LEE Yau Ching is a cousin of Mr. LEE Shing Put, B.B.S., an executive Director and the Chairman of the Board.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LEUNG Ting Yuk (梁廷育), aged 51, was appointed as an independent non-executive Director since November 2018. Mr. LEUNG is also the chairman of the Audit Committee and the member of each of the Remuneration Committee, Nomination Committee and Acquisition Committee. Mr. LEUNG obtained a bachelor's degree of Commerce with major in accounting from University of Wollongong, Australia. Mr. LEUNG is a member of the Certified Practicing Accountants, Australia and the Hong Kong Institute of Certified Public Accountants. Mr. LEUNG has over 20 years of experience in financial management, accounting and auditing.

Mr. LEUNG is an independent non-executive director of Yanchang Petroleum International Limited (stock code: 00346), Most Kwai Chung Limited (stock code: 01716), Tai United Holdings Limited (stock code: 00718) and Shangshan Gold International Holdings Limited (stock code: 01939), all of them are listed on the main board of the Stock Exchange.

The Hon. IP Kwok Him, G.B.M., G.B.S., J.P., (葉國謙), aged 74, is an independent non-executive Director since November 2018. He is also the chairman of the Remuneration Committee and the member of each of the Audit Committee, Nomination Committee and Acquisition Committee. The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. is currently the Chairman of Hon Wah Educational Organization, the Deputy Chairman of The Private Columbaria Licensing Board and the Party Affairs Advisor to the Democratic Alliance for Betterment and Progress of Hong Kong. The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. was awarded the J.P. in 1999, the Grand Bauhinia Medal in 2017 and the Gold Bauhinia Star in 2004.

The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. was a deputy to the National People's Congress of the Hong Kong SAR from 2003 to 2023. Since 1999, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. has successively served as a member of the Central and Western District Council, a member of the Provisional Legislative Council, a member of the Legislative Council, and a non-official member of the Executive Council of the government of the HKSAR.

The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. is an independent non-executive director of ICO Group Limited (stock code: 01460), a company listed on the main board of the Stock Exchange and Well Link Securities Holdings Limited (stock code: 08350), a company listed on the GEM of the Stock Exchange.

Ms. LYU Fang (呂芳), aged 47, is an independent non-executive Director since November 2018. She is also the member of each of the Audit Committee, Remuneration Committee, Nomination Committee and Acquisition Committee. Ms. LYU Fang has been the senior engineer of Renewable Energy System Department at the Electrical Engineering Institute, Chinese Academy of Sciences, mainly responsible for advising national solar power rules and policies, and carrying out technical training in solar industry. Ms. LYU Fang has 27 years of experience in strategy and policy study on large-scale use of photovoltaic power. Over the years, Ms. LYU Fang has been responsible for numerous solar energy-related researches and projects conducted by the Ministry of Science and Technology of the People's Republic of China and the National Energy Administration of China. Ms. LYU Fang was the Secretary General of Solar Photovoltaic Committee of China Renewable Energy Society. Ms. LYU Fang is the Secretary General of China Green Supply Chain Alliance (中國綠色供應鏈聯盟) Photovoltaic Commission (光伏專案會) of the Ministry of Industry and Information Technology of the People's Republic of China (中華人民共和國工業和信息化部), a committee of Expert Committee of All-China Environment Federation and a member of Professional Committee of Carbon Inclusive of All-China Environment Federation. Ms. LYU Fang is also acting as the Chinese Representative of a photovoltaic power research project, Task 1, international vice chairlady at the International Energy Agency Photovoltaic Power Systems Program. Ms. LYU Fang is currently a committee member of the 5th Xiuzhou District, Jiaxing City of the Chinese People's Political Consultative Conference. Ms. LYU Fang obtained a bachelor's degree in economics from Beijing Wuzi University in 1999.

Ms. LYU Fang is an independent non-executive director of GoodWe Technologies Co.,Ltd. (固德威技術股份有限公司) (stock code: 688390.SS) and Arctech Solar Holding Co., Ltd. (江蘇中信博新能源科技股份有限公司) (stock code: 688408.SS), both of which are listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange. Ms. LYU Fang also is an independent non-executive director of Jiangsu Zerun New Material Co., Ltd (江蘇澤潤新能科技股份有限公司).

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. XIA Xin (夏鑫), aged 42, is the operation controller of the Group. Mr. XIA Xin joined the Group as an operation controller in January 2017 and has been responsible for the overall operation and maintenance management of the solar farm projects of the Group. From March 2015 to December 2016, Mr. XIA Xin worked in Xinyi Solar Group and was mainly responsible for construction quality control as well as managing the operation and maintenance of solar farm projects. Mr. XIA Xin has over 15 years of experience in the photovoltaic industry, and has engaged in the design and development of photovoltaic products and credential management, technical support, testing of photovoltaic system parts and systems, design of photovoltaic systems and standard formulations in Jiangxi LDK Solar High-Tech Company Limited., CQC-Trusted Testing Technology Company Limited and Energy Trend New Energy System Research Institute (中盛新能源系統研究院). Mr. XIA Xin graduated from Nanjing Institute of Technology (南京工程學院) with a bachelor's degree of Engineering; Nanchang University(南昌大學) with a master's degree in electrical engineering and Nanjing University(南京大學) with a master's degree in business administration.

Mr. LI Jiang Yong (李江勇), aged 46, is the acquisitions controller of the Group. Mr. LI Jiang Yong joined the Group as an acquisitions controller in January 2017 and has been responsible for the overall acquisitions of solar plants from third parties. From April 2016 to December 2016, Mr. LI Jiang Yong worked in Xinyi Solar Group and was mainly responsible for the construction quality control of solar plants. Mr. LI Jiang Yong has over 17 years of experience in the photovoltaic industry, and has engaged in the research and development of photovoltaic products, testing of photovoltaic system parts and systems, design of photovoltaic systems and standard formulations in China Sunergy (Nanjing) Company Limited. and CQC-Trusted (Jiangsu) Testing Technology Company Limited. Mr. LI Jiang Yong graduated from Tianjin University of Technology with a master's degree in condensed matter physics in 2008.

Mr. CHAN Ka Lun (陳嘉倫), aged 43, joined the Group as financial controller in July 2024 and has been mainly responsible for monitoring the financial operation of the Group. He is also the assistant company secretary of the Company. Prior to joining the Group, Mr. CHAN Ka Lun worked for Xinyi Solar from September 2023 to June 2024 and was responsible for monitoring the financial operation of Xinyi Solar. Prior to joining Xinyi Solar, Mr. CHAN Ka Lun worked in an international accounting firm for more than 10 years. Mr. CHAN Ka Lun has extensive experience in auditing and accounting. Mr. CHAN Ka Lun is a fellow member of Association of Chartered Certified Accountants. Mr. CHAN Ka Lun obtained a master's degree in professional accounting from The Hong Kong Polytechnic University in 2021.

COMPANY SECRETARY

Mr. CHU Charn Fai (朱燦輝), aged 56, is the Company Secretary of the Company. Mr. CHU Charn Fai is currently the executive director, financial controller and company secretary of Xinyi Solar (stock code: 00968), a company listed on the main board of the Stock Exchange. Mr. CHU Charn Fai joined Xinyi Solar in April 2011. Prior to joining Xinyi Solar, Mr. CHU Charn Fai was the financial controller of Minmetals Resources Limited (currently known as MMG Limited) (stock code: 01208), a company listed on the main board of the Stock Exchange, from August 2002 to August 2010. Mr. CHU Charn Fai started working with Minmetals Resources Limited in February 1998 and held various positions in the finance department during the period up to July 2002 and before which, Mr. CHU Charn Fai worked in an international accounting firm for around four years. Mr. CHU Charn Fai received a master's degree in corporate finance from The Hong Kong Polytechnic University in 2006. Mr. CHU Charn Fai is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

CORPORATE GOVERNANCE REPORT

The Board recognises the importance of good corporate governance in the management structure and internal control procedures of the Group for the purpose of ensuring that all business activities of the Group and the decision-making process are properly regulated and are in full compliance with the applicable laws and regulations. For corporate governance purpose, the Company has adopted the Corporate Governance Code (the "**CG Code**") set forth in Part 2 of the Appendix C1 to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the year of 2025.

In the opinion of the Board, the Company has complied with the applicable principles and code provisions of the CG Code for the FY2025.

The Board is collectively responsible for the long-term success of the Company. Its key responsibilities include providing leadership and supervision to the Management with a view to protecting the Shareholders' interests and enhancing Shareholders' long-term value.

The Board has established the Group's purpose, values and strategies and was satisfied that they are aligned with the Group's culture. All Directors must act with integrity, lead by example, and promote the desired culture. The Board should instill and continually reinforce across the Company's values of "acting lawfully, ethically and responsibly".

During the FY2025, the Board closely monitored the implementation of corporate governance practice, risk management and internal control systems to ensure the corporate value and the Company's culture are aligned.

BOARD OF DIRECTORS

One of the responsibilities of the Board is to prevent fraud and non-compliance issues, safeguard the assets of the Group and formulate the overall business strategies for the Group. The Board currently comprises four executive Directors and three independent non-executive Directors. Details of the Directors are set forth on pages 13 to15 in this annual report.

The four executive Directors are Mr. LEE Shing Put, B.B.S., Tan Sri Datuk TUNG Ching Sai *J.P.*, Mr. TUNG Fong Ngai and Mr. LEE Yau Ching. Mr. LEE Shing Put, B.B.S. and Mr. TUNG Fong Ngai are nephew of Tan Sri Datuk TUNG Ching Sai *J.P.*. Mr. LEE Shing Put, B.B.S. is a cousin of Mr. LEE Yau Ching and Mr. TUNG Fong Ngai.

The three independent non-executive Directors are Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang.

The biographical information of the Directors is set forth in the section headed "Profile of Directors and Senior Management" in this annual report. Save as disclosed above, there is no relationship (including financial, business, family or other material/ relevant relationship(s)) among the members of the Board.

The Company has complied with Rules 3.10 and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive directors, one independent non-executive director of which has the appropriate professional qualifications or accounting or related finance management expertise and the independent non-executive directors represent at least one-third of the Board.

The articles of association (the "**Articles**") of the Company provide that at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall subject to retirement by rotation at least once every three years. Where there is any casual vacancy in the Board, candidates will be proposed and put forward to the Board for consideration and approval, with a view to appointing to the Board individuals with the appropriate capabilities to fill the casual vacancy.

Mr. LEE Shing Put, B.B.S. is the Chairman of the Group and Mr. TUNG Fong Ngai is the Chief Executive Officer of the Group. The Chairman is responsible for managing and providing leadership to the Board. He is also responsible for ensuring that the Group has maintained strong and effective corporate governance practices and procedures. The Chief Executive Officer is responsible for the day-to-day management of the business of the Group. With the assistance of other members of the Board and other senior management, the Chief Executive Officer closely monitors the operating and financial results of the Group, identifies any weakness in the operation and takes all necessary and appropriate steps to remedy such weakness. He is also responsible for formulating the future business plans and strategies of the Group for the Board's approval.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for a specific term of not more than three years. All of the independent non-executive Directors have satisfied the independence criteria and have made their confirmations of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors have fulfilled the independence guidelines set forth under Rule 3.13 of the Listing Rules.

The table below sets forth the number of meetings of the Board and the general meetings in 2025 and individual attendance of each Director at these meetings:

	Number of meetings attended/ eligible to attend	
	General meeting	**Board meeting**
Executive Directors		
LEE Shing Put	1/1	4/4
TUNG Ching Sai	1/1	3/4
TUNG Fong Ngai	1/1	4/4
LEE Yau Ching	1/1	4/4
Independent non-executive Directors		
LEUNG Ting Yuk	1/1	4/4
IP Kwok Him	1/1	4/4
LYU Fang	1/1	4/4

The Board is responsible for the formulation of the overall strategies and objectives of the Group, monitoring and evaluating the operating and financial performance, the review of the corporate governance measures and supervision of the overall management of the Group. The senior management of the Group is responsible for the implementation of the business strategies and the day-to-day operations of the Group under the leadership of the Chief Executive Officer. The Directors have full access to all the information of the Group in relation to the business operation and financial performance of the Group. Senior management of the Group also provides the Directors from time to time with information on the business operation of the Group.

MECHANISM REGARDING INDEPENDENT VIEWS TO THE BOARD

The Board has implemented different ways to ensure independent views and input are available to the Board (the "**Mechanism**"). The purpose of the Mechanism is to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The Mechanism also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Mechanism, the Board will conduct annual review on its independence. The results will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate. The Board will also conduct annual review to the Mechanism and the results will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the FY2025, the Board reviewed its independence and the results were satisfactory.

During the FY2025, the Board reviewed the implementation and effectiveness of the Mechanism and the results were satisfactory.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set forth in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Directors are reminded of their obligations under the Model Code on a regular basis. Having made specific enquiries with the Directors, all Directors confirmed that they had complied with the required standard of dealings as set forth in the Model Code during the FY2025.

REMUNERATION COMMITTEE

The Remuneration Committee of the Board comprises five members, namely Mr. LEE Shing Put, B.B.S., Tan Sri Datuk TUNG Ching Sai *J.P.*, Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang. The chairman of the Remuneration Committee is The Hon. IP Kwok Him, G.B.M., G.B.S., J.P..

The primary duties of the Remuneration Committee include reviewing the terms of the remuneration of and making recommendations to the Board on the remuneration of the Directors and senior management and reviewing and approving matters related to share schemes. The Remuneration Committee was established on 22 November 2018 and its terms of reference are posted on the websites of the Company and the Stock Exchange.

During the FY2025, one meeting of the Remuneration Committee was held for reviewing the directors' fee and remuneration of directors for the following year and all the committee members attended this meeting.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors of the Company) by band for the FY2025 is set forth below:

In the band of:	Number of individuals
Nil to HK$1,000,000	3

Details of the Directors' remuneration is set forth in Note 9 to the consolidated financial statements in this annual report.

AUDIT COMMITTEE

The Audit Committee of the Board comprises three independent non-executive Directors, namely Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang. The chairman of the Audit Committee is Mr. LEUNG Ting Yuk.

The Audit Committee assists the Board to review the financial reporting process, evaluate the effectiveness of internal control and risk management systems and oversee the auditing processes of the Group. The Audit Committee was established on 22 November 2018 and its terms of reference are posted on the websites of the Company and the Stock Exchange. The Audit Committee held three meetings during the FY2025 for reviewing the annual and interim financial results and reports, the financial reporting and compliance procedures, internal control and risk management systems, scope of work and appointment of external auditors. All the committee members attended these meetings.

NOMINATION COMMITTEE

The Nomination Committee of the Board comprises five members, namely Mr. LEE Shing Put, B.B.S., Tan Sri Datuk TUNG Ching Sai *J.P.*, Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang. The chairman of the Nomination Committee is Mr. LEE Shing Put, B.B.S..

The primary duties of the Nomination Committee are to review the structure, size and diversity of the Board on a regular basis, assess the independence of independent non-executive Directors of the Company, and make recommendations to the Board regarding the appointment, retirement and re-election of Directors. The Nomination Committee was established on 22 November 2018 and its terms of reference are posted on the websites of the Company and the Stock Exchange. During the FY2025, one meeting of the Nomination Committee was held for annual review of board structure and diversity and, independence of independent non-executive Directors and all the committee members attended this meeting.

NOMINATION POLICY

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

- Reputation for integrity;
- Achieve board diversity, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Merit and contribution that candidate will bring to the Board;
- Compliance with the criteria of independence as prescribed under the Listing Rules for the appointment of an independent non-executive director if the proposed candidate will be nominated as an independent non-executive director; and
- Able to devote sufficient time and attention to the Company's business.

The Nomination Committee may propose to the Board a candidate recommended or offered for nomination by a shareholder of the Company as a nominee for election to the Board and the appointment or re-appointment of Directors and succession planning for Directors is subject to the approval of the Board.

Procedures for shareholders' nomination of any proposed candidate for election as a director are stated in "Mechanisms available for shareholders to propose a person for election as a director of the Company" and disclosed in the Company's website.

BOARD DIVERSITY

The Board considers that its diversity is a vital asset to the business and has adopted a board diversity policy for better transparency and governance. Board appointments are based on merit and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company adopted the board diversity policy (the "**Diversity Policy**") as required by the CG Code in November 2018. The Nomination Committee will discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption, as set forth in the Diversity Policy of the Company.

For the purpose of implementation of the Diversity Policy, the following measurable objectives were adopted:

– At least one member of the Board shall be female.

– At least one-third of the members of the Board shall be independent non-executive Directors.

The members of the Board, who come from a variety of different backgrounds, have a diverse range of business, and professional expertise. The table below sets forth an analysis of the Board's current composition based on the measurable objectives:

Measurable objective	Category	Number of Director
Gender	Male	6
	Female	1
Age	20-40	1
	41-60	5
	Over 60	1
Professional expertise	Information technology	1
	Power industry	4
	Finance	1
	Public administration	1

Based on the foregoing, the composition and diversity of the Board enable the management to benefit from a diverse and objective external perspective, on issues raised before the Board.

Brief biographical particulars of the Directors, together with information relating to the relationship among them, are set forth on pages 13 to 15 in this annual report.

The Board currently has one female Director and has achieved gender diversity in respect of the Board. The Company targets to maintain at least the current level of female representation on the Board and strive to ensure the Board is made up of a reasonable and appropriate proportion of female members by reference to stakeholders' expectations and international and local recommended best practices and the pool of qualified candidates.

The Company values gender diversity across all levels of the Group. The following table sets forth the gender ratio in the workforce of the Group, including the Board and senior management as of the date of this annual report:

	Male	Female
Board	85.7%	14.3%
Senior Management	100.0%	–
Other employees	92.6%	7.4%
Overall workforce	92.5%	7.5%

The Nomination Committee was of the opinion that the Board consisted of members with diversified gender, age, cultural and education background, professional/business experience, skills and knowledge. No new Director had been appointed during the year. Further details for the diversity, including the gender diversity, in the workforce during the FY2025 are set forth in the Environmental, Social and Governance Report dated 30 April 2026 of the Company.

ACQUISITION COMMITTEE

The Acquisition Committee of the Board comprises six members, namely Mr. TUNG Fong Ngai, Mr. LEE Shing Put, B.B.S., Mr. LEE Yau Ching, Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang. The chairman of the Acquisition Committee is Mr. TUNG Fong Ngai.

The primary duties of the Acquisition Committee are to consider and approve acquisitions of the utility-scale ground-mounted solar farm projects and review, evaluate investment projects and issue opinion for long-term development plan of the Company and make recommendations to the Board. The Acquisition Committee was established on 22 November 2018 and its terms of reference are posted on the websites of the Company and the Stock Exchange. During the FY2025, one meeting of the Acquisition Committee was held for discussing and approving of the acquisition of eight solar farms from Xinyi Solar and all the committee members attend this meeting.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibilities in (i) overseeing the preparation of the financial statements of the Group with a view to ensure that such financial statements give a true and fair view of the state of affairs of the Group and (ii) selecting suitable accounting policies, applying the selected accounting policies consistently, and making prudent and reasonable judgments and estimates for the preparation of the financial statements of the Group. The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement of the auditor of the Company regarding their reporting responsibilities on the financial statements of the Group is set forth in the Independent Auditor's Report on pages 46 to 52 in this annual report.

AUDITORS' REMUNERATION

For the year ended 31 December 2025, the professional fees paid/payable to the external auditors of the Company in respect of audit services and non-audit services provided by the auditors to the Group were as follows:

Auditor remuneration	RMB'000
– Audit services	1,150
– Non-audit services	–

RISK MANAGEMENT AND INTERNAL CONTROL

The Board and the management of the Group maintain a sound and effective system of risk management and internal control so as to ensure the effectiveness and efficiency of the operations of the Group in achieving the established corporate objectives, safeguarding assets of the Group, rendering reliable financial reporting and complying with the applicable laws and regulations. The systems are designed to provide reasonable but not absolute assurance against material misstatement or loss, and to manage rather than eliminate risk of failure to meet the business objectives of the Group.

The key elements of the Group's risk management and internal control structure are as follows:

- Well-defined organisational structure with appropriate segregation of duties, limit of authority, reporting lines and responsibilities to minimise risk of errors and abuse;
- Clear and written policies and procedures have been established and regularly reviewed for major functions and operations;
- Important business functions or activities are managed by experienced, qualified and suitably trained staff;
- Continuous monitoring of the key operating data and performance indicators, timely and up-to-date business and financial reporting, immediate corrective actions are taken where necessary; and
- Internal audit function to perform independent appraisal of major operations on an ongoing basis.

Through the Audit Committee and the internal audit team, the Board has conducted an annual review on the effectiveness of risk management and internal control systems of the Group for the FY2025.

A risk-based approach is adopted to ensure that a methodical coverage of the Group's operations and resources are focused on high risk areas. The internal audit team takes the lead to evaluate the risk management and internal control systems of the Group by reviewing the major operations of the Group every year. The review covers all material controls including financial, operational and compliance controls. Review results and recommendations in the form of written reports are submitted to the Audit Committee for discussion and review. Follow up actions will be taken up by the internal audit team to ensure that findings previously identified have been properly resolved.

Based on the results of the internal control review for the FY2025 and the assessment of the Audit Committee thereon, no significant deficiency in risk management and internal controls systems are noted. The Board therefore is satisfied that appropriate and effective risk management and internal control systems have been maintained for the FY2025.

INSIDE INFORMATION POLICY

The Company has established an inside information policy which contains the guidelines to the directors, officers and all relevant employees (likely possessing the unpublished inside information) of the Group to ensure that the inside information of the Group is to be disseminated to public in equal and timely manner in accordance with the applicable laws and regulation.

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

The Company provides to all the Directors a comprehensive induction package which includes introduction on the business operations, internal procedures and general policy of the Company and a summary of statutory and regulatory obligations of directors under the Listing Rules and other relevant laws and regulations. During the year, all the Directors are provided with regular updates on the Group's business, operations, risk management and corporate governance matters to enable the Board as a whole and each Director to discharge their duties. The Directors are also encouraged to attend both in-house training and training provided by independent service providers. Directors are continually updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for Directors will be arranged where necessary.

All Directors have participated in continuous professional development to develop and refresh their knowledge and skills and confirmed that they have complied with the code provision C.1.4 of the CG Code.

COMPANY SECRETARY

The Company Secretary is Mr. CHU Charn Fai, a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. CHU Charn Fai is the financial controller, company secretary and executive director of Xinyi Solar. He assists the Board by ensuring good information flow within the Board and that the policy and procedures of the Board are followed. For the FY2025, Mr. CHU Charn Fai has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

(i) Procedures for Shareholders to convene a general meeting and putting forward proposals

Pursuant to Article 58 of the Articles, an extraordinary general meeting ("**EGM**") shall also be convened and resolutions to a meeting agenda shall be added on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings, on a one vote per share basis in the share capital of the Company. Such requisition shall be made in writing to the Board or the Company Secretary of the Company for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. The requisition(s) may added resolutions to a general meeting agenda.

(ii) Procedures for which enquiries may be put to the Board

Shareholders may at any time send their enquiries and concerns with sufficient contact details to the Board at the principal place of business of the Company in Hong Kong for the attention of the Company Secretary or via e-mail to "ir@xinyienergy.com.hk".

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company endeavours to develop and maintain continuing relationships and effective communications with its Shareholders and investors. In an effort to facilitate and enhance the relationships and communication, the Company has established a shareholders communication policy. The Board reviewed the implementation and effectiveness of the shareholders communication policy and the results were satisfactory. The Company has established the following channels:

(i) the annual general meeting provides a forum for the shareholders to raise comments and exchange views with the Board. The Directors are available at the annual general meeting of the Company to address Shareholders' queries;

(ii) the Company maintains a website at www.xinyienergy.com, where updated key information/news of the Group is available for public access;

(iii) interim and annual results are announced as early as possible, to keep the Shareholders informed of the Group's performance and operations;

(iv) investor, analyst and media briefing are held as practicable after the publication of the interim and annual results;

(v) the Company's management may meet with Shareholders, potential investors and research analysts upon request and provide update of the latest business development of the Group and answer their queries in accordance with the Group's Inside Information Policy; and

(vi) Shareholders shall direct their enquiries about their shareholdings to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited.

CONSTITUTIONAL DOCUMENTS

During the year, the Company has made changes to its constitutional documents to be consistent with the latest legal and regulatory requirements, including the applicable laws of the British Virgin Islands and Hong Kong, the new electronic dissemination rules under the expanded paperless listing regime of the Stock Exchange effective from 31 December 2023 and the creation of the treasury shares that may be held by the Company as permitted under the Listing Rules.

The adoption of the amended and restated memorandum and articles of association of the Company had obtained shareholders' approval at the annual general meeting held on 30 May 2025. For details, please refer to the announcement of the Company dated 30 April 2025 and the circular of the Company dated 30 April 2025.

The Company's constitutional documents is available on the websites of the Company and the Stock Exchange.

DIVIDEND POLICY

In considering the payment of dividends, the Board shall maintain adequate cash reserves for meeting its working capital requirements and strike a proper balance between future business growth and rewarding the Shareholders of the Company.

Provided that the daily working capital needs of the Group can be satisfied and funding has been reserved for future development, the Company intends to maintain a relatively stable dividend distribution ratio. However, the Company's dividend distribution record in the past does not necessarily imply that the same level of dividends may be declared or paid by the Company in the future.

In proposing any dividend payout, the Board shall take into account the financial performance and cash flow situation of the Group, future expansion plans and capital requirements, interests of Shareholders, contractual restrictions on payment of dividends, taxation considerations, statutory and regulatory restrictions, general economic conditions, business cycle of the Group's business and any other factors that the Board may consider relevant.

The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Company's memorandum and articles of association.

REPORT OF THE DIRECTORS

The Directors are pleased to present their report and the consolidated audited financial statements of the Group for the FY2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of the subsidiaries are principally engaged in the operations and management of solar and wind farms in the PRC. Particulars of the subsidiaries are set forth in Note 14 to the consolidated financial statements in this annual report.

BUSINESS REVIEW AND OUTLOOK

A business review of the Group and further discussion and analysis of these activities of the Group for the FY2025 and the future development are set forth in the Chairman's Statement from pages 4 to 7 and Management Discussion and Analysis from pages 8 to 13 of this annual report. These discussions form part of this Report of the Directors.

RESULTS AND APPROPRIATIONS

The results of the Group for the FY2025 are set forth in the consolidated statement of profit or loss on page 53 in this annual report. During the year, an interim dividend of 2.9 HK cents per share, amounting to a total of RMB224.4 million, was paid to the Shareholders in cash or partially settled by the issuance of 66,476,454 scrip shares in respect of scrip dividend on 10 October 2025.

FINAL DIVIDEND

At the meeting of the Board held on 27 February 2026, the Directors proposed a final dividend (the "**Final Dividend**") of 3.6 HK cents per share for the FY2025. The recommendation of payment of the Final Dividend is subject to the approval of the Shareholders at the AGM to be held on Friday, 29 May 2026. If approved by the Shareholders, it is expected that the Final Dividend will be paid to the Shareholders whose names appear on the register of members of the Company on Monday, 8 June 2026.

Shareholders will be given an option to receive the Final Dividend in cash or in new and fully paid shares of the Company, in whole or in part, in lieu of cash dividend by scrip dividend (the "**Scrip Dividend Scheme**") . The Scrip Dividend Scheme is subject to The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granting the listing of, and permission to deal in, the new shares to be allotted and issued under the Scrip Dividend Scheme.

The Company will announce separately further information on the Scrip Dividend Scheme which includes the market value of the scrip shares under the Scrip Dividend Scheme which is expected to represent a discount to the average closing price per share as quoted on the Stock Exchange for the five consecutive trading days commenced on Tuesday, 2 June 2026 until Monday, 8 June 2026 (both days inclusive) rounded down to two decimal places.

ENVIRONMENTAL POLICIES AND PERFORMANCE

As a pure solar farm owner and operator, the Group's business model is to acquire, own, and manage a portfolio of utility scale ground-mounted solar farm projects and sell the electricity to local subsidiaries of two state-owned grid enterprises in the PRC. Without involvement of solar farm development and construction, as well as 100% electricity generation from solar power, negative effects of the Group's daily operation on the environmental are relatively low compared to that of traditional fuel-based power companies. Furthermore, the Group has and will endeavor to minimise negative effects by adopting various methods, like using rainwater and applying other technologies for cleaning solar panels to reduce water consumption, implementing nationwide centralised surveillance system for remote monitoring to lower energy and electricity consumption.

In contrast to the negative impacts, electricity generated from solar and wind farms is a clean and renewable energy, which can replace a portion of fuel-based power, and as a result, will mitigate greenhouse-gas emissions. Therefore, to increase the usage of renewable energy is highly important for the world to achieve the UN Sustainable Development Goals. The volume of electricity sold by the Group's solar and wind farms in 2025 was approximately 4.92 billion kWh, as compared to 4.47 billion kWh in 2024, offsetting around 4.05 million tons of CO_2 emission.

The Group's operations strictly comply with all applicable environmental laws and regulations in all material aspects, including the Environmental Protection Law of the PRC, the Water Pollution Prevention and Control Law of the PRC, the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes, etc. During the FY2025, the Group was not aware of any non-compliance with any applicable laws and regulations that have a material impact on the Group relating to environmental protection as well as energy and resources consumption.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

An environmental, social and governance ("**ESG**") report for the FY2025 of the Group will be published on the websites of the Company and the Stock Exchange at the same time as the publication of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year under review and to the best knowledge of the Company's Directors, the Group had obtained and completed all material licenses, certifications, permits and registration necessary for its business operations, and that the Group had complied in all material aspects with all laws, rules and regulations that have a significant impact on the Group's business and operations.

RELATIONSHIP WITH CUSTOMERS, SUPPLIERS AND EMPLOYEES

The Group values relationships with, and have been maintaining good relationships with its customers, equipment suppliers and the employees of the Group. During the FY2025, there were no material dispute between the Group and its customers, suppliers and employees.

DONATION

Donations by the Group for charitable and other purposes during the FY2025 amounted to RMB2.1 million (2024: RMB1.7 million).

PRINCIPAL RISKS AND UNCERTAINTIES

The business performance of the Group is subject to the following principal risks and uncertainties:

- Trade and tariff adjustment receivables arising from sales of electricity were all due from state-owned grid enterprises, the State Grid Corporation and the China Southern Power Grid. The delay in receiving the tariff adjustment receivables may affect the business and financial condition, cash flow and liquidity of the Group.
- Climate change, unpredictable weather patterns and grid consumption can cause output of power generation shortfalls and fluctuate significantly.

All of the above factors may adversely and materially affect the Group's operating results and profitability.

Details of the Group's exposure to foreign exchange risk and other financial risks are set forth in the paragraphs under "Treasury Policies and Exposure to Fluctuation in Exchange Rates" in the Management Discussion and Analysis on pages 13 and the paragraphs under "Financial Risk Management" in Note 3 to the consolidated financial statements in this annual report.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set forth in the section headed "Financial Summary" in this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the Group's property, plant and equipment during the FY2025 are set forth in Note 16 to the consolidated financial statements in this annual report.

SHARE CAPITAL

Details of the movements in share capital of the Company during the FY2025 are set forth in Note 21 to the consolidated financial statements in this annual report.

RESERVES

Details of movements in the reserves of the Group and of the Company during the financial year are set forth in Note 23 to the consolidated financial statements in this annual report.

DISTRIBUTABLE RESERVES

Under the BVI Business Companies Act, as of 31 December 2025 and without taking into account the proposed Final Dividend of 3.6 HK cents per Share for the year then ended, share premium amounting to approximately RMB5,548.8 million (2024: RMB5,845.1 million) and retained earnings of RMB7,198.4 million (2024: RMB6,180.4 million) was distributable to the Shareholders, subject to the condition that immediately following the date on which the distribution or dividend is proposed to be made, the Company is able to pay its debts as they fall due in the ordinary course of business.

As of 31 December 2025, the Company does not have reserves available for cash distribution and/or distribution, as computed in accordance with the BVI Business Companies Act.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the applicable laws of the British Virgin Islands where the Company was incorporated, which would oblige the Company to offer new shares on a pro-rate basis to the existing Shareholders.

DIRECTORS

The Directors of the Company during the FY2025 and up to the date of this annual report were:

Executive Directors

Mr. LEE Shing Put, B.B.S. *(Chairman)*
Tan Sri Datuk TUNG Ching Sai *J.P. (Vice Chairman)*
Mr. TUNG Fong Ngai *(Chief Executive Officer)*
Mr. LEE Yau Ching

Independent non-executive Directors

Mr. LEUNG Ting Yuk
The Hon. IP Kwok Him, G.B.M., G.B.S., J.P.
Ms. LYU Fang

In accordance with article 102 of the Company's Articles, Mr. LEE Shing Put, B.B.S., Mr. LEE Yau Ching and Mr. LEUNG Ting Yuk will retire and being eligible, offer themselves for re-election at the AGM.

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming AGM has entered or has proposed to enter into any service agreements with the Company or any other member of the Group which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' REMUNERATION

The emoluments of the Directors are recommended by the Remuneration Committee and are decided by the Board, taking into account the Group's operating results, individual performance as well as market trends and practices. The Company's policies concerning remuneration of the executive Directors are:

(i) the amount of remuneration is determined on the basis of the relevant executive Director's experience, responsibility, workload and the time devoted to the Group;

(ii) non-cash benefits may be provided to the executive Directors under their remuneration package;

(iii) the executive Directors may be granted, at the discretion of the Board, options pursuant to the share option of the Company, as part of their remuneration package; and

(iv) annual Director's fees are as follows:

Chairman of the Audit Committee: HK$280,000 for the FY2025.

All other Directors: HK$250,000 for the FY2025.

During the FY2025, three Directors waived the Director's fees of aggregate amount of HK$750,000 to be received by them from the Company. Details of the remuneration of the Directors are set forth in Note 9 to the consolidated financial statements in this annual report.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Except for the connected transaction and continuing connected transaction disclosed on pages 41 to 43 in this annual report, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the FY2025.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") in November 2018. The following table sets forth movements in the share options of the Company for the FY2025:

	Grant date	Exercise price *(HK$)*	Closing price of the Company's shares immediately before the grant date *(HK$)*	Vesting period	Exercise period	Number of share options As at 1/1/2025	Granted	Exercised	Cancelled	Lapsed	As at 31/12/2025
Continuous contract employees	31/3/2021	3.78	3.81	31/3/2021-31/12/2023	1/4/2024-31/3/2025	**1,930,468**	**–**	**–**	**–**	**(1,930,468)**	**–**
	31/3/2022	4.76	4.86	31/3/2022-31/12/2024	1/4/2025-31/3/2026	**2,247,208**	**–**	**–**	**(37,028)**	**–**	**2,210,180**
	1/6/2023	2.26	2.26	1/6/2023-31/12/2025	1/4/2026-31/3/2027	**3,518,000**	**–**	**–**	**(82,000)**	**–**	**3,436,000**
	28/3/2024	1.12	1.09	28/3/2024-31/12/2026	1/4/2027-31/3/2028	**3,106,000**	**–**	**–**	**(100,000)**	**–**	**3,006,000**
	31/3/2025	0.97	0.96	31/3/2025-31/12/2027	1/4/2028-31/3/2029	**–**	**3,500,000**	**–**	**(29,000)**	**–**	**3,471,000**
Total						**10,801,676**	**3,500,000**	**–**	**(248,028)**	**(1,930,468)**	**12,123,180**

During the FY2025, 3,500,000 share options were granted. The fair value of the equity-settled share options granted under the Share Option Scheme during the year was estimated at HK$892,000. The value of the share options granted during the FY2025 is to be expensed through the consolidated statement of profit or loss of the Group over the three-year vesting period of the share options.

The fair value of share options granted during the FY2025 was determined in accordance with the valuation performed by an independent valuer using the Black-Scholes option pricing model. Such model is one of the commonly used models to estimate the fair value of an option. The significant variables and assumptions used in computing the fair value of the share options are set forth in the table below. The value of an option varies with different variables of a number of subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

Share price at the grant date (HK$)	0.95
Exercise price (HK$)	0.97
Volatility (%)	49.04
Dividend yield (%)	5.26
Expected share option life (years)	3.50
Annual risk-free rate (%)	2.84

The number of share options available for grant under the Share Option Scheme was 648,066,772 share options as of 1 January 2025 and 648,158,214 share options as of 31 December 2025.

The number of Shares that may be issued in respect of the share options granted under the Share Option Scheme during the FY2025 divided by the weighted average number of the Shares in issue for the year ended 31 December 2025 is 0.04%.

During the FY2025, a total of 3,500,000 share options granted to the senior management and the employees of the Group (the "**Grantees**"), among of which 1,166,666 share options, representing one third of the total share options granted, vested on 31 December 2025. Having considered that (i) such share options vested where the performance target are satisfied during the performance period commenced from 1 January 2025 and ended on 31 December 2025, which is not less than 12 months, and (ii) the total vesting and holding period of the share options is more than 12 months, the Remuneration Committee and the Board considered that the grant of such share options with a shorter vesting period could align the interests of the Grantees with that of the Company and the Shareholders, reward and provide incentive to the Grantees to work towards success of the Group, and reinforce their commitment to long-term services of the Group, which is in line with the purpose of the Share Option Scheme.

The vesting of the share options granted to the Grantees is subject to satisfaction of certain performance targets as determined by the Board at its absolute discretion. The Board will assess the performance of the Group for the relevant year, including in particular key performance indicators, such as revenue, profit and sales target of the Group as a whole and of the applicable business. Also, the Group has established a standard performance appraisal system for its employees to evaluate their performance and contribution to the Group.

There is no clawback mechanism attached to the share options granted to the Grantees. The purpose of the Share Option Scheme is to recognise and acknowledge the contributions the grantees had or may have made to the Group. The Share Option Scheme also provides the grantees with an opportunity to have a personal stake in the Company with the view to satisfied the objectives of (i) motivate the grantees to optimise their performance efficiency for the benefit of the Group and (ii) attract and retain or otherwise maintain on-going business relationship with the grantees whose contributions are or will be beneficial to the long-term growth of the Group. Having considered that (i) the Grantees are the senior management and the employees of the Group who will contribute directly to the overall business performance, sustainable development and/or good corporate governance of the Group; (ii) the grant of share options to the Grantees is a recognition for their past contributions to the Group; and (iii) the share options are subject to the terms of the Share Option Scheme which provides for circumstances under which the share options or any part thereof shall lapse in the event that the Grantees cease to be a senior management and an employee of the Group or commit a breach of the rules of the Share Option Scheme, the Remuneration Committee and the Board consider that without additional clawback mechanism, the grant of the share options could align the interests of the Grantees with that of the Company and the Shareholders, reward and provide incentive to the Grantees to work towards successes of the Group, and reinforce their commitment to long-term services of the Group, which is in line with the purpose of the Share Option Scheme.

Saved as disclosed above, the Company did not make any grant of share options to the Directors and/or senior management as set forth in Rules 17.03F, 17.06B(7) and 17.06B(8) of the Listing Rules during the FY2025.

A summary of the principal terms of the Share Option Scheme is as follows:

(i) Purpose

The purpose of the Share Option Scheme is to enable the Company to grant options to eligible participants ("**Participants**") as incentives or rewards for their contribution or potential contribution to the Group and to provide the Participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives: (i) motivate the Participants to optimize their performance efficiency for the benefit of the Group; (ii) attract and retain or otherwise maintain on-going business relationship with the Participants whose contributions are or will be beneficial to the long-term growth of the Group and (iii) for such purposes as the Board may approve from time to time.

(ii) Participants

The Participants includes: (i) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group (the "**Executive**"), any full-time or part time employee, or a person for the time being seconded to work full-time or part-time for any member of the Group (the "**Employee**"); (ii) a director or proposed director (including an independent non-executive director) of any member of the Group; (iii) a direct or indirect shareholder of any member of the Group; (iv) a supplier of goods or services to any member of the Group; (v) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; (vi) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; and (vii) an associate of any of the persons referred to in paragraphs (i) to (iii) above.

(iii) Maximum number of shares (the "Shares") of the Company

The maximum number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 662,734,947 Shares, representing 10% of the Shares in issue as of the date of listing, excluding Shares which may fall to be issued upon the exercise of the over-allotment option.

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Group shall not exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme and any other scheme of the Company if this will result in such limit being exceeded.

The total number of securities available for issue under the Share Option Scheme was 648,158,214, representing 7.61% of the issued Shares (excluding treasury shares) as of the date of this annual report.

(iv) Maximum entitlement of each eligible Participant

Unless with the approval of the Shareholders in general meeting, the maximum number of Shares issued and which may fall to be issued upon exercise of the share options granted under the Share Option Scheme and any other schemes of the Company (including both exercised and outstanding options) to each Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as of the date of grant.

(v) Option period

The period during which the share option may be exercised will be determined by the Board in its absolute discretion, save that no share option may be exercised more than 10 years after it has been granted. Save as determined by the Board and provided in the offer of the grant of the relevant share options, there is no minimum period for which a share option must be held before it can be exercised.

(vi) Vesting period

Subject to the provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an option impose the time or period before the right to exercise the option in respect of all or any of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme.

(vii) Acceptance and payment on acceptance

An offer for the grant of Share options must be accepted within thirty days inclusive of the day on which such offer was made. A consideration of HK$1.00 is required to be paid by the grantee of the share option to the Company upon acceptance of the offer.

(viii) Option price for subscription of shares

The subscription price of a Share in respect of any particular share option granted under the Share Option Scheme shall be the price determined by the Board in its absolute discretion, but in any event shall not be less than the highest of:

(a) the closing price of the Share as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day;

(b) the average closing price of the Share as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of grant; and

(c) the nominal value of the Share.

(ix) Remaining life of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten years commencing on 28 May 2019.

Further details of the Share Option Scheme are set forth in Note 22 to the consolidated financial statements in this annual report.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management are set forth on pages 14 to 17 in this annual report.

DIRECTOR'S AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATIONS

As of 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Long positions in the Shares

Name of Director	Capacity	Name of the controlled corporations	Number of Shares held	Approximate percentage of the Company's issued share capital
Tan Sri Datuk TUNG Ching Sai *J.P.*	Interest in a controlled corporation[1]	Copark (as defined below)	32,211,604	0.378%
	Interest in a controlled corporation[1]	Sharp Elite (as defined below)	202,854,207	2.381%
	Family interest[1]		15,719,319	0.184%
	Interest in persons acting in concert[2]		1,371,709,449	16.100%

Notes:

(1) Tan Sri Datuk TUNG Ching Sai *J.P.* is the beneficial owner of the entire issued share capital of Copark Investment Limited ("**Copark**") and Sharp Elite Holdings Limited ("**Sharp Elite**"), both are incorporated in the British Virgin Islands (the "**BVI**") with limited liability, which in turn are the registered owner of 32,211,604 and 202,854,207 Shares, respectively. Tan Sri Datuk TUNG Ching Sai *J.P.* is also deemed to be interested in 15,719,319 Shares through his spouse, Puan Sri Datin SZE Tan Hung.

(2) Pursuant to an agreement dated 22 November 2018 and entered into by Dr. LEE Yin Yee, S.B.S., Datuk Wira TUNG Ching Bor *D.C.S.M*, Tan Sri Datuk TUNG Ching Sai *J.P.*, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. SZE Nang Sze, Mr. NG Ngan Ho, and Mr. LI Ching Leung, the parties have agreed to grant a right of first offer to the other parties to the agreement if they want to dispose of their Shares allotted to them under a conditional distribution in specie received at the time of listing of the Company.

(ii) Long positions in the shares of the associated corporation

Name of Director	Capacity	Name of the associated corporation	Number of shares held in the associated corporation	Approximate percentage in the issued share capital of the associated corporation
Tan Sri Datuk TUNG Ching Sai *J.P.*	Interest in a controlled corporation[1]	Xinyi Solar	230,990,954	2.525%
	Family interest[1]		39,685,997	0.433%
	Interest in persons acting in concert[2]		2,183,863,406	23.875%

Notes:

(1) Tan Sri Datuk TUNG Ching Sai *J.P.* is the beneficial owner of the entire issued share capital of Copark which is the registered owner of 230,990,954 shares of Xinyi Solar (the "**XYS Shares**"). Tan Sri Datuk TUNG Ching Sai *J.P.* also has 39,685,997 XYS Shares through his spouse, Puan Sri Datin SZE Tan Hung.

(2) Pursuant to an agreement dated 31 May 2013 and entered into by Dr. LEE Yin Yee, S.B.S., Datuk Wira TUNG Ching Bor *D.C.S.M*, Tan Sri Datuk TUNG Ching Sai *J.P.*, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. SZE Nang Sze, Mr. NG Ngan Ho, and Mr. LI Ching Leung, the parties have agreed to grant a right of first offer to the other parties to the agreement if they want to sell their XYS Shares allotted to them under a conditional distribution in specie, by way of special interim dividend declared on 19 November 2013 of such number of shares to them representing approximately 67.6% of the XYS Shares as of that date.

Save as disclosed above, as of 31 December 2025, to the knowledge of the Company, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in any of the Shares, the underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As of 31 December 2025, the following persons (other than a Director or chief executive of the Company) had, or were deemed to have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Long positions in the Share

Name of substantial shareholders	Nature of interest and capacity	Number of Shares held	Approximate percentage of the Company's issued share capital
Xinyi Group (Glass) Company Limited	Beneficial owner	447,553,833	5.253%
Xinyi Glass (BVI) Limited (formerly known as "Xinyi Automobile Glass (BVI) Company Limited")	Interest in a controlled corporation	447,553,833	5.253%
Xinyi Glass	Beneficial owner	41,469,953	0.486%
	Interest in a controlled corporation	447,553,833	5.253%
Xinyi Power (BVI) Limited	Beneficial owner	4,324,103,847	50.754%
Xinyi Solar	Interest in a controlled corporation	4,324,103,847	50.754%
Charm Dazzle Limited	Beneficial owner	509,748,913	5.983%
Dr. LEE Yin Yee, S.B.S.	Interest in a controlled corporation(1)	602,025,817	7.066%
	Interest in a controlled corporation(2)	8,466,198	0.099%
	Joint interest(1)	3,881,382	0.045%
	Family interest(1)	4,827,875	0.056%
	Interest in persons acting in concert(3)	1,003,293,307	11.776%
Datuk Wira TUNG Ching Bor *D.C.S.M*	Interest in a controlled corporation(4)	257,517,135	3.022%
	Joint interest(4)	12,947,042	0.151%
	Family interest(4)	4,541,941	0.053%
	Interest in persons acting in concert(3)	1,347,488,461	15.816%
Mr. LEE Sing Din	Interest in a controlled corporation(5)	153,457,731	1.801%
	Personal interest(5)	248,171	0.002%
	Joint interest(5)	7,511,101	0.088%
	Interest in persons acting in concert(3)	1,461,277,576	17.151%
Mr. LI Man Yin	Interest in a controlled corporation(6)	57,215,195	0.671%
	Personal interest(6)	394,278	0.004%
	Family interest(6)	162,325	0.001%
	Interest in persons acting in concert(3)	1,564,722,781	18.365%

Name of substantial shareholders	Nature of interest and capacity	Number of Shares held	Approximate percentage of the Company's issued share capital
Mr. LI Ching Wai	Interest in a controlled corporation(7)	64,973,183	0.762%
	Personal interest(7)	205,033	0.002%
	Interest in persons acting in concert(3)	1,557,316,363	18.278%
Mr. SZE Nang Sze	Interest in a controlled corporation(8)	82,945,682	0.973%
	Interest in persons acting in concert(3)	1,539,548,897	18.070%
Mr. NG Ngan Ho	Interest in a controlled corporation(9)	55,338,425	0.649%
	Personal interest(9)	283,973	0.003%
	Interest in persons acting in concert(3)	1,566,872,181	18.391%
Mr. LI Ching Leung	Interest in a controlled corporation(10)	53,944,770	0.633%
	Personal interest(10)	776,322	0.009%
	Family interest(10)	45,870	0.0005%
	Interest in persons acting in concert(3)	1,567,727,617	18.401%
Shanghai Ningquan Asset Management Co., Ltd.* (上海寧泉資產管理有限公司)	Investment manager	670,672,695	7.872%

* *For identification purpose only*

Notes:

(1) Dr. LEE Yin Yee, S.B.S. is the beneficial owner of the entire issued share capital of Realbest Investment Limited and Charm Dazzle Limited, both are incorporated in the BVI with limited liability and wholly-owned by Dr. LEE Yin Yee, S.B.S. Dr. LEE Yin Yee, S.B.S. also has 3,881,382 Shares jointly held with and 4,827,875 Shares directly held by his spouse, Madam TUNG Hai Chi.

(2) The interest in the Shares is held through Full Guang Holdings Limited ("**Full Guang**"). Full Guang is owned by Dr. LEE Yin Yee, S.B.S. as to 33.98%, Datuk Wira TUNG Ching Bor *D.C.S.M* as to 16.21%, Tan Sri Datuk TUNG Ching Sai *J.P.* as to 16.21%, Mr. LEE Sing Din as to 11.85%, Mr. LI Ching Wai as to 5.56%, Mr. NG Ngan Ho as to 3.70%, Mr. LI Man Yin as to 3.70%, Mr. SZE Nang Sze as to 5.09% and Mr. LI Ching Leung as to 3.70%.

(3) Pursuant to an agreement dated 22 November 2018 and entered into by Dr. LEE Yin Yee, S.B.S., Datuk Wira TUNG Ching Bor *D.C.S.M*, Tan Sri Datuk TUNG Ching Sai *J.P.*, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. SZE Nang Sze, Mr. NG Ngan Ho, and Mr. LI Ching Leung, the parties have agreed to grant a right of first offer to the other parties to the agreement if they want to dispose of their shares allotted to them under a conditional distribution in specie received at the time of listing of the Company.

(4) Datuk Wira TUNG Ching Bor *D.C.S.M*'s interests in the Shares are held through High Park Technology Limited and Xu Feng Limited, both are incorporated in the BVI with limited liability and wholly-owned by Datuk Wira TUNG Ching Bor *D.C.S.M*. Datuk Wira TUNG Ching Bor *D.C.S.M* also has 12,947,042 Shares jointly held with and 4,541,941 Shares directly held by his spouse, Datin Wira KUNG Sau Wai.

(5) Mr. LEE Sing Din's interests in the Shares are held through Telerich Investment Limited and Precious Smart Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. LEE Sing Din. Mr. LEE Sing Din also has 248,171 Shares held in his own name and 7,511,101 Shares held through a joint account with his spouse, Madam LI Kam Ha.

(6) Mr. LI Man Yin's interests in the Shares are held through Perfect All Investments Limited and Will Sail Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. LI Man Yin. Mr. LI Man Yin also has 394,278 Shares held in his own name and 162,325 Shares through his spouse, Madam LI Sau Suet.

(7) Mr. LI Ching Wai's interests in the Shares are held through Goldbo International Limited and Yuanyi Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. LI Ching Wai. Mr. LI Ching Wai also has 205,033 Shares held in his own name.

(8) Mr. SZE Nang Sze's interests in the Shares are held through Goldpine Limited and Day Dimension Investments Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. SZE Nang Sze.

(9) Mr. NG Ngan Ho's interests in the Shares are held through Linkall Investment Limited and Far High Investments Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. NG Ngan Ho. Mr. NG Ngan Ho also has 283,973 Shares held in his own name.

(10) Mr. LI Ching Leung's interests in the Shares are held through Herosmart Holdings Limited and Heng Zhuo Limited, both are incorporated in the BVI with limited liability and wholly-owned by Mr. LI Ching Leung. Mr. LI Ching Leung also has 776,322 Shares held in his own name and 45,870 Shares held through his spouse, Madam DY Maria Lumin.

Save as disclosed above, as of 31 December 2025, the Directors were not aware of any other person having an interests or short positions in the Shares and the underlying Shares as notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

As of 31 December 2025, none of the Directors and their respective associates (as defined in the Listing Rules) or the controlling shareholders (as defined in the Listing Rules) of the Company had any interest in a business, which competes or may compete with the business of the Group.

DEED OF NON-COMPETITION

The independent non-executive Directors have reviewed the compliance and the enforcement of the deed of non-competition dated 5 December 2018 entered into by the Covenantors (as defined therein) in favour of the Company and have not noticed any material non-compliance of such deed by the Convenantors.

PERMITTED INDEMNITY PROVISIONS

During the FY2025, appropriate insurance covering for the Directors' and senior management's liabilities arising out of activities of the Group has been arranged by the Company. As of the date of this annual report, such insurance covering remained effective.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate and neither the Directors or the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of revenue of sales for the year attributable to the Group's major customers are as follows:

—the largest customer	17.4%
—five largest customers in aggregate	59.7%

None of the Directors, their close associates or any shareholder of the Company which, to the best knowledge of the Directors, owned more than 5% of the number of issued Shares (excluding treasury shares), had any beneficial interest in any of the Group's five largest customers.

The percentage of the aggregate purchases attributable to the Group's five largest suppliers was less than 30% of the Group's total value of purchases.

BANK BORROWINGS

The total bank borrowings of the Group as of 31 December 2025 amounted to RMB7,297.2 million (2024: RMB7,330.5 million). Particulars of the bank borrowings are set forth in Note 25 to the consolidated financial statements in this annual report.

REWARD FOR EMPLOYEES

As of 31 December 2025, the Group had 457 full-time employees in total in Hong Kong and the PRC. Remuneration packages offered to the Group's employees are consistent with the prevailing market terms and reviewed on a regular basis. Discretionary bonuses may be rewarded to employees taking into consideration of the Group's performance and the performance of the individual employee. The Directors confirm that the Group maintains good working relationship with its employees and provides training when necessary to keep its employees informed of the latest information on developments of its products and production processes.

CONNECTED TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 December 2025 are set forth in Note 30 to the consolidated financial statements in this annual report. Some of these transactions also constitute "Connected Transactions" and "Continuing Connected Transactions" under the Listing Rules, as identified below.

During the FY2025, the Group had the following connected transaction and continuing connected transaction, details of which are set forth below:

Connected transaction

Completion of 2025 acquisition with Xinyi Solar

As of 31 December 2025, the Group completed the acquisition of (i) a utility-scale ground-mounted solar farm project in Anhui Province with an aggregate approved capacity 30 MW for electricity generation directly owned by Wuhu Xintu Renewable Energy Limited (蕪湖信圖新能源有限公司), (ii) a utility-scale ground-mounted solar farm project in Guangdong Province with an aggregate approved capacity 100 MW for electricity generation directly owned by Xinyun Renewable Energy (Yunfu) Limited (信雲新能源(雲浮)有限公司) and (iii) a utility-scale ground-mounted solar farm project in Guangdong Province with an aggregate approved capacity 100 MW for electricity generation directly owned by Kaiping City Ruide Renewable Energy Limited (開平市睿得新能源有限公司).

Acquisition of the equity interest in Xinyi Wind Power (Jinzhai) Company Limited

On 23 December 2025, Xinyi Solar (Fanchang) Company Limited (信義光能(繁昌) 有限公司) ("**Xinyi Energy (Fanchang)**"), a non-wholly owned subsidiary of Xinyi Solar and a wholly-owned subsidiary of the Company, as the purchaser, entered into the equity transfer agreement (the "**Equity Transfer Agreement**") with Anhui Xinyi Power Source Company Limited* (安徽信義電源有限公司) ("**Anhui Xinyi Power**"), a wholly-owned subsidiary of Xinyi Electric Storage, and Xinyi Energy Smart (Wuhu) Company Limited (信義節能玻璃(蕪湖)有限公司) ("**Xinyi Energy (Wuhu)**"), a wholly-owned subsidiary of Xinyi Glass, as the vendors, in relation to the acquisition of equity interest of Xinyi Wind Power (Jinzhai) Company Limited (金寨信義風能有限公司) owned by Anhui Xinyi Power and Xinyi Energy (Wuhu) to Xinyi Energy (Fanchang) at a total consideration of RMB62.0 million.

Each of Xinyi Glass and Xinyi Electric Storage is a company with common controlling shareholders with the Company, and is therefore Anhui Xinyi Power and Xinyi Energy (Wuhu) are the connected person of the Company under the Listing Rules. Accordingly, the Equity Transfer Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Continuing connected transaction

Solar Farm O&M Agreement

As disclosed in the Company's announcement dated 31 December 2024, the Company entered into a memorandum ("**Second Renewal Memorandum**") dated 31 December 2024 with Xinyi Solar to confirm the renewal of the solar farm O&M agreement ("**Solar Farm O&M Agreement**") for the three years ending on 31 December 2027. Pursuant to the Solar Farm O&M Agreement, the Group have agreed to provide solar farm operation and management services to the connection-ready solar farm projects developed or constructed by the Xinyi Solar Group. The annual cap and the actual transaction amount of the transactions contemplated under the Solar Farm O&M Agreement (as renewed by the Second Renewal Memorandum) for the FY2025 are RMB15.0 million and RMB9.0 million, respectively.

Xinyi Solar is the substantial shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the Solar Farm O&M Agreement, as renewed by the Renewal Memorandum, constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

All independent non-executive Directors of the Company have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

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

(b) either on normal commercial terms or on terms no less favorable to the Group than terms available to or from independent third parties; and

(c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

In accordance with Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions to the Board in accordance with Rule 14A.56 of the Listing Rules and confirming there is nothing has come to their attention that causes them to believe that the continuing connected transactions:

(a) have not been approved by the Board;

(b) were not, in all material respects, in accordance with the pricing policies of the Group;

(c) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and

(d) have exceeded the annual cap as set by the Company.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Directors confirmed that the Company has complied with the applicable code provisions as contained in the CG Code set forth in Part 2 of Appendix C1 to the Listing Rules for the FY2025.

Please refer to the section headed "Corporate Governance Report" set forth in pages 18 to 26 in this annual report for details of compliance with the Corporate Governance Code.

AUDIT COMMITTEE

The Company has established an audit committee, comprising all independent non-executive Directors, with written terms of reference in compliance with the requirements of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group and to provide comments and give advice to the Board.

The Audit Committee has reviewed the audited financial statements of the Company and audited consolidated financial statements of the Group for the FY2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the FY2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company.

EVENT AFTER THE REPORTING PERIOD

No significant event has taken place subsequent to 31 December 2025 and up to the date of this annual report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as of the date of this annual report, the Company has complied with the ongoing public float threshold, representing between 15% to 25% as the market capitalisation of the Company at the time of listing exceeds HK$10 billion of the ordinary shares held by the public as required under the Listing Rules. As of the date of this annual report, 24.46% of the ordinary Shares are held by the public.

The capital of the Group comprises only ordinary Shares.

The table below sets forth the Share ownership composition as of the date of this annual report:

Shareholders	Number of ordinary Shares	%
Controlling Shareholders [(1)]	6,435,622,212	75.54
Public Shareholders	2,084,090,139	24.46
Total	8,519,712,351	100.0

Note:

(1) Pursuant to a shareholders' agreement entered into among Dr. LEE Yin Yee, S.B.S., Datuk Wira TUNG Ching Bor *D.C.S.M*, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. NG Ngan Ho, Mr. LI Man Yin, Mr. SZE Nang Sze and Mr. LI Ching Leung dated 22 November 2018, the parties agreed to grant a right of first offer to the other parties to the agreement if they want to sell their Shares. Each of Dr. LEE Yin Yee, S.B.S., Datuk Wira TUNG Ching Bor *D.C.S.M*, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. NG Ngan Ho, Mr. LI Man Yin, Mr. SZE Nang Sze and Mr. LI Ching Leung and their respective controlled corporations (as such term is defined under the Listing Rules), as well as Xinyi Glass, Xinyi Group (Glass) Company Limited, Xinyi Solar and Xinyi Power (BVI) Limited, are the controlling shareholders (the "**Controlling Shareholders**"). As of the date of this annual report, the Controlling Shareholders, being parties acting in concert as a result of the shareholders' agreement mentioned above, held 6,435,622,212 Shares, representing 75.54% of the total number of the Shares in issue.

AUDITOR

PricewaterhouseCoopers has retired as the auditor of the Company effective from the conclusion of the annual general meeting of the Company held on 30 May 2025. Ernst & Young ("**EY**") has been appointed as the auditor of the Company following the retirement of PricewaterhouseCoopers effective from the 30 May 2025 and to hold office until the conclusion of the AGM.

The consolidated financial statements of the Group for the FY2025 has been audited by EY who retire and, being eligible, offer themselves for re-appointment. A resolution will be proposed at the AGM to re-appoint EY and authorise the Directors to fix their remuneration.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Friday, 29 May 2026. The register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026 (both days inclusive), during which period no transfer of shares will be effected. The record date for entitlement to attend and vote at AGM is Friday, 29 May 2026. In order to determine the entitlement to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 May 2026.

The register of members of the Company will be closed from Thursday, 4 June 2026 to Monday, 8 June 2026 (both days inclusive), during which period no transfer of shares will be effected. The record dated for entitlement the Final Dividend is Monday, 8 June 2026. In order to qualify for the Final Dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 3 June 2026.

On Behalf of the Board

LEE Shing Put, B.B.S.
Chairman

Hong Kong, 27 February 2026

INDEPENDENT AUDITOR'S REPORT

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To the shareholders of Xinyi Energy Holdings Limited
(Incorporated in British Virgin Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Xinyi Energy Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 53 to 139, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities.

We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

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

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Provision of loss allowance of trade receivables	
As at 31 December 2025, the Group had trade receivables of RMB4,124.7 million against which provisions for expected credit losses ("ECL") of RMB41.2 million were made. The Group measures the loss allowance for its trade receivables at an amount equal to the lifetime expected credit losses. Expected credit losses are estimated by grouping the receivables based on the shared credit risk characteristics and collectively assessed for the likelihood of recovery and applying expected credit loss rates to the respective gross carrying amounts of the receivables. The expected credit loss rates are determined based on the historical credit losses experience and are adjusted to reflect current and forward-looking information on economic indicators, scenarios and the underlying probability weightings. The provision of loss allowance of trade receivables is identified as a key audit matter because the trade receivables balance is significant to the Group and significant judgement and estimations applied in assessing the allowance for expected credit losses. The related disclosures about the provision of loss allowance of trade receivables are included in 3.1(b), Note 4 and Note 19 to the consolidated financial statements.	Our procedures in relation to the provision of loss allowances of trade receivables included the following: • we obtained an understanding of management assessment's process of expected credit loss of trade receivables; • we assessed the appropriateness of the methodology in determining the expected credit losses of trade receivables. We also considered whether the judgements and significant assumptions used by management would give rise to indicators of possible management bias; • we involved our internal specialists to assist us in evaluating the calculation of expected credit losses prepared by the Group's management, including forward looking adjustment and estimated loss rates; • we tested, on sample basis, the accuracy and completeness of the data being used and checked mathematical accuracy of calculation of expected credit losses prepared by management; and • we assessed the adequacy of the disclosures of provision of loss allowances of trade receivables in the consolidated financial statements.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition on tariff adjustment	
During the year ended 31 December 2025, the Group recognised revenue of RMB2,453.3 million of which revenue from tariff adjustment amounted to RMB915.9million. The corresponding trade receivable arising from tariff adjustment was approximately RMB3,955.2 million as at 31 December 2025. Revenue arising from tariff adjustment represents subsidy received and receivable from the sales of electricity pursuant to the prevailing government policies, and is recognised when each solar farm complied with all the requirements and conditions as required under the prevailing government policies and regulations for entitlement of the tariff adjustment. The tariff adjustment is measured based on the difference between the feed-in-tariff regime and the revenue from sales of electricity. Management exercised judgement in determining the basis, e.g. the timing of connection and maximum subsidised capacity of the solar farms which are entitled to tariff adjustment, when measuring revenue recognised from tariff adjustment in accordance with the relevant rules and regulations, including those being published during the year ended 31 December 2025 and up to the date of this report. Management performed self-assessments according to the latest rules and regulations and evaluated the relevant result. The revenue recognition on tariff adjustment is identified as a key audit matter because significant management judgements involved in determination of the basis, e.g. the timing of connection and maximum subsidised capacity, of revenue recognition on tariff adjustment according to the requirements and conditions as required under the prevailing government policies and regulations. The related disclosures about the revenue recognition on tariff adjustment are included in Note 4 and Note 5 to the consolidated financial statements.	Our procedures in relation to revenue recognition on tariff adjustment included the following: • we obtained an understanding of management's process of revenue recognition on tariff adjustment and we evaluated and test, on sample basis, the key internal control over the management's assessment in connection with revenue recognition on tariff adjustment; • we discussed with the management and with reference to the relevant rules and regulations, including those being published during the year ended 31 December 2025 and up to the date of this report, and we understood the latest requirements, conditions and the prevailing policies and regulations set by the government authorities on tariff adjustment on sales of electricity, and assessed the reasonableness of the judgement used in estimation of the tariff adjustment by comparing the consistency of the basis for determination of the timing of connection, and maximum subsidised capacity of the solar farms with the policies and regulations; • we tested, on a sample basis, the underlying data used in the calculation of the amount of tariff adjustment by examining of relevant supporting evidence, including approval of feed-in-tariff issued by the Bureau of Commodity Prices and documents of settlement issued by the state-owned grid enterprises periodically; • we checked the mathematical accuracy of the calculation of the amount of tariff adjustment of solar farms; and • we assessed the adequacy of the disclosures of tariff adjustment in the consolidated financial statements.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill arising from acquisitions of solar farm projects	
As at 31 December 2025, the net carrying value of the goodwill arising from acquisitions of solar farm projects by the Group amounted to RMB224.0 million. Goodwill is subject to impairment assessment at least annually or when there is an indication of impairment. For the purposes of assessing impairment, assets of the Group's solar farm projects are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Management has engaged an independent external valuer to assist in performing impairment assessment for the Group's solar farm projects. For the purpose of impairment assessments, management determined the recoverable amount of solar farm projects acquired by the Group using fair value less cost of disposal ("FVLCOD") calculation. The key assumptions used in the FVLCOD calculation include among others, cash flow forecast period, annual utilisation hours, degradation factor, feed-in-tariff and discount rate. The impairment assessment of goodwill arising from acquisitions of solar farm projects is identified as a key audit matter because changing the key assumptions would have a direct impact on the impairment, and the key assumptions require a high degree of judgment and estimates. The related disclosures about the impairment assessment of goodwill arising from acquisitions of solar farm projects are included in Note 4 and Note 18 to the consolidated financial statements.	Our procedures in relation to the impairment assessment of goodwill arising from acquisition of solar farm projects included the following: • we obtained an understanding of management's process of impairment assessment of goodwill arising from acquisitions of solar farm projects; • we evaluated the competence, capabilities and objectivity of the independent external valuer; • we involved our internal specialists to evaluate the reasonableness of the methodology and discount rate as adopted by management, and reviewed sensitivity analysis on the key assumptions adopted in the impairment assessment prepared by the management so as to assess the potential implication on the results of the impairment assessment if these key assumptions are to be changed within a reasonable range; • we assessed the reasonableness of the key assumptions, including cash flow forecast period, annual utilisation hours, degradation factor, feed-in-tariff and discount rate based on inspecting the sales agreements, our knowledge of the business and the observable market data of the industry; • we checked the mathematical accuracy of the discounted cash flow projections; and • we assessed the adequacy of the disclosures of impairment assessment of goodwill arising from acquisitions of solar farm projects in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lam Wai Ming, Ada (practising certificate number: P04699).

Ernst & Young
Certified Public Accountants
Hong Kong

27 February 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For The Year Ended 31 December 2025

	Notes	**2025** **RMB'000**	2024 RMB'000
Revenue	5	**2,453,308**	2,440,447
Cost of sales	7	**(937,248)**	(840,717)
Gross profit		**1,516,060**	1,599,730
Other income	5	**39,500**	22,910
Other gains/(losses), net	6	**93,291**	(37,673)
Administrative expenses	7	**(61,186)**	(48,532)
Net impairment losses on financial assets	3.1(b)	**(1,833)**	(6,449)
Operating profit		**1,585,832**	1,529,986
Finance income	10	**3,090**	2,602
Finance costs	10	**(277,483)**	(364,775)
Share of net profits/(losses) of investments accounted for using the equity method	15	**57**	(91)
Profit before income tax		**1,311,496**	1,167,722
Income tax expense	11	**(301,875)**	(376,220)
Profit for the year		**1,009,621**	791,502
Profit for the year attributable to:			
– Equity holders of the Company		**1,010,712**	790,851
– Non-controlling interests		**(1,091)**	651
		1,009,621	791,502
Earnings per share attributable to the equity holders of the Company (Expressed in RMB cents per share)			
– Basic	12	**12.00**	9.55
– Diluted	12	**12.00**	9.55

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 31 December 2025

	2025 *RMB'000*	2024 *RMB'000*
Profit for the year	**1,009,621**	791,502
Other comprehensive income/(loss) for the year, net of tax:		
Items that may be reclassified to profit or loss		
Currency translation differences of foreign operations	**286,273**	(318,850)
Share of other comprehensive income of investments accounted for under the equity method		
– Share of currency translation differences	**17**	47
Release of reserve upon the disposal of a subsidiary	**24,086**	–
Item that will not be reclassified to profit or loss		
Currency translation differences of the Company	**(293,143)**	202,919
Other comprehensive income/(loss) for the year, net of tax	**17,233**	(115,884)
Total comprehensive income for the year	**1,026,854**	675,618
Total comprehensive income for the year attributable to:		
– Equity holders of the Company	**1,027,968**	674,967
– Non-controlling interests	**(1,114)**	651
	1,026,854	675,618

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 31 December 2025

	Notes	**2025** **RMB'000**	2024 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	**15,000,001**	15,394,948
Right-of-use assets	17	**980,484**	970,148
Prepayments for land use rights and property, plant and equipment	19	**46,030**	27,735
Investments accounted for using the equity method	15	**495,112**	628
Goodwill	18	**224,005**	273,950
Deferred tax assets	26	**61,064**	59,973
Total non-current assets		**16,806,696**	16,727,382
Current assets			
Trade and other receivables and prepayments	19	**4,494,951**	4,580,310
Amounts due from related companies	30	**155,454**	3,571
Restricted cash	20	**8,486**	3,000
Cash and cash equivalents	20	**950,638**	354,238
Total current assets		**5,609,529**	4,941,119
Total assets		**22,416,225**	21,668,501
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	21	**73,808**	72,497
Other reserves	23	**5,966,473**	6,251,552
Retained earnings		**7,198,407**	6,180,436
		13,238,688	12,504,485
Non-controlling interests		**(391)**	–
Total equity		**13,238,297**	12,504,485
LIABILITIES			
Non-current liabilities			
Bank borrowings	25	**5,100,259**	4,789,224
Lease liabilities	17	**930,449**	919,475
Other payables	24	**13,078**	15,378
Deferred tax liabilities	26	**250,512**	262,194
Total non-current liabilities		**6,294,298**	5,986,271

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 31 December 2025

	Notes	**2025** **RMB'000**	2024 RMB'000
Current liabilities			
Bank borrowings	25	**2,196,989**	2,541,250
Lease liabilities	17	**61,168**	56,962
Accruals and other payables	24	**433,157**	450,504
Amounts due to related companies	30	**119,243**	85,912
Current income tax liabilities		**73,073**	43,117
Total current liabilities		**2,883,630**	3,177,745
Total liabilities		**9,177,928**	9,164,016
Total equity and liabilities		**22,416,225**	21,668,501

The consolidated financial statements on pages 53 to 139 were approved by the Board of Directors on 27 February 2026 and were signed on its behalf.

LEE Shing Put, B.B.S.
Chairman and Executive Director

TUNG Fong Ngai
Chief Executive Officer and Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to equity holders of the Company					
	Share capital *(Note 21)* RMB'000	Other reserves *(Note 23)* RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2025	72,497	6,251,552	6,180,436	12,504,485	–	12,504,485
Comprehensive income						
Profit for the year	–	–	1,010,712	1,010,712	(1,091)	1,009,621
Other comprehensive income/(loss)						
Currency translation differences	–	(6,847)	–	(6,847)	(23)	(6,870)
Share of other comprehensive income of investments accounted for using the equity method	–	17	–	17	–	17
Release of reserve upon disposal of a subsidiary	–	24,086	–	24,086	–	24,086
Total comprehensive income for the year	–	17,256	1,010,712	1.027,968	(1,114)	1,026,854
Transactions with owners						
Employees' share option scheme:						
– value of employee services *(Note 8)*	–	1,192	–	1,192	–	1,192
– release upon the lapse of share options	–	(1,836)	1,836	–	–	–
Issuance of shares in respect of scrip dividend of 2024 final dividend	702	66,707	–	67,409	–	67,409
Issuance of shares in respect of scrip dividend of 2025 interim dividend	609	68,778	–	69,387	–	69,387
Dividend:						
– 2024 final dividend *(Note 13)*	–	(207,398)		(207,398)	–	(207,398)
– 2025 interim dividend *(Note 13)*	–	(224,355)		(224,355)	–	(224,355)
Appropriation to safety reserve	–	4,504	(4,504)	–	–	–
Appropriation to statutory reserve	–	101,990	(101,990)	–	–	–
Incorporation of a subsidiary	–	–	–	–	723	723
Transfer of reserves upon disposal of a subsidiary	–	(111,917)	111,917	–	–	–
Balance at 31 December 2025	73,808	5,966,473	7,198,407	13,238,688	(391)	13,238,297

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to equity holders of the Company					
	Share capital *(Note 21)* *RMB'000*	Other reserves *(Note 23)* *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2024	71,412	6,518,702	5,529,694	12,119,808	9,811	12,129,619
Comprehensive income						
Profit for the year	–	–	790,851	790,851	651	791,502
Other comprehensive (loss)/income						
Currency translation differences	–	(115,931)	–	(115,931)	–	(115,931)
Share of other comprehensive income of investments accounted for using the equity method	–	47	–	47	–	47
Total comprehensive income for the year	–	(115,884)	790,851	674,967	651	675,618
Transactions with owners						
Employees' share option scheme:						
– value of employee services *(Note 8)*	–	(440)	–	(440)	–	(440)
– release upon the lapse of share options	–	(609)	609	–	–	–
Issuance of shares in respect of scrip dividend of 2023 final dividend	59	6,129	–	6,188	–	6,188
Issuance of shares in respect of scrip dividend of 2024 interim dividend	1,026	77,991	–	79,017	–	79,017
Dividend:						
– 2023 final dividend *(Note 13)*	–	(198,721)	–	(198,721)	–	(198,721)
– 2024 interim dividend *(Note 13)*	–	(177,750)	–	(177,750)	–	(177,750)
Dividend paid to non-controlling interests	–	–	–	–	(3,046)	(3,046)
Appropriation to safety reserve	–	16,671	(16,671)	–	–	–
Appropriation to statutory reserve	–	124,047	(124,047)	–	–	–
Change in ownership interest in subsidiaries without change of control	–	1,416	–	1,416	(7,416)	(6,000)
Balance at 31 December 2024	72,497	6,251,552	6,180,436	12,504,485	–	12,504,485

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	**2025** **RMB'000**	2024 RMB'000
Cash flows from operating activities			
Cash generated from operations	28 (a)	**2,152,644**	1,649,891
Interest paid		**(218,056)**	(311,857)
Income tax paid		**(283,544)**	(381,790)
Net cash generated from operating activities		**1,651,044**	956,244
Cash flows from investing activities			
Payments for acquisition of right-of-use assets		**(17,392)**	(32,690)
Payments for purchases of and prepayments for property, plant and equipment		**(984,012)**	(2,268,634)
Proceeds from disposal of property, plant and equipment		**6,478**	762
Capital injections into an investment accounted for using the equity method	15	**–**	(672)
Advance to an investment accounted for using the equity method		**(151,454)**	(2,192)
Net proceeds from disposal of a subsidiary	27	**485,012**	–
Net proceeds from financial assets at fair value through profit or loss		**3,555**	4,888
Interest received		**2,437**	2,559
Net cash used in investing activities		**(655,376)**	(2,295,979)
Cash flows from financing activities			
Payment for acquisition of interest in subsidiaries without change of control, net of cash acquired		**–**	(6,000)
Capital injection to a subsidiary from NCI		**723**	–
Proceeds from bank borrowings		**2,679,970**	7,532,289
Repayments of bank borrowings		**(2,713,196)**	(6,054,081)
Principal elements of lease payments		**(70,923)**	(73,005)
Dividends paid to the Company's shareholders		**(294,957)**	(291,266)
Dividends paid to the non-controlling interest		**–**	(3,046)
Net cash (used in)/generated from financing activities		**(398,383)**	1,104,891
Net increase/(decrease) in cash and cash equivalents		**597,285**	(234,844)
Cash and cash equivalents at beginning of the year		**354,238**	587,926
Effect of foreign exchange rate changes		**(885)**	1,156
Cash and cash equivalents at end of the year	20	**950,638**	354,238

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Xinyi Energy Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") are principally engaged in the operations and management of solar and wind farms in the People's Republic of China (the "**PRC**") (the "**Renewable Energy Generation Business**").

The Company is a limited liability company incorporated in the British Virgin Islands (the "**BVI**"). The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The ultimate holding company of the Company is Xinyi Solar Holdings Limited ("**Xinyi Solar**"), a company whose shares are listed on the Main Board of the Stock Exchange.

2. BASIS OF PREPARATION

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance.

These consolidated financial statements are presented in Chinese Renminbi ("**RMB**"), unless otherwise stated.

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss ("**FVPL**").

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(b) Amendments to standards adopted by the Group

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKAS 21	*Lack of Exchangeability*

The nature and the impact of the revised HKFRS Accounting Standards are described below:

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

2. BASIS OF PREPARATION (Continued)

(c) New and amended standards but not yet adopted by the Group

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

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

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

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

3 No mandatory effective date yet determined but available for adoption

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

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

2. BASIS OF PREPARATION (Continued)

(c) New and amended standards but not yet adopted by the Group (Continued)

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

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

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

2. BASIS OF PREPARATION (Continued)

(c) New and amended standards but not yet adopted by the Group (Continued)

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

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

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

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to various types of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in the PRC and is exposed to foreign exchange risk primarily arising from HK$, US dollar ("**US$**"), Malaysian Ringgit ("**MYR**") and Japanese Yen ("**JPY**"), some of which are not the functional currencies of respective operating subsidiaries within the Group. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations, mainly as a result of translation of cash and cash equivalents and borrowings. Details of the Group's cash and cash equivalents and bank borrowings are disclosed in Note 20 and Note 25.

The Group manages its foreign exchange risks by performing regular reviews. For subsidiaries with functional currency in HK$, they are not subject to significant foreign exchange risk for transactions conducted in US$ given the pegged exchange rate between HK$ and US$.

For Hong Kong subsidiaries with functional currency in HK$, they are subject to foreign exchange risk mainly as a result of translation of cash and cash equivalents and borrowings denominated in RMB. The net foreign exchange gains/losses would be recognised in profit or loss. As at 31 December 2025, if RMB had strengthened/weakened by 5% against HK$, with all other variables held constant, profit after income tax for the year of the Hong Kong subsidiaries would have been approximately RMB1,828,000 (2024: RMB109,813,000) lower/higher mainly as a result of net foreign exchange losses/gains recognised.

The remaining Group's assets and liabilities are primarily denominated in the respective group companies' financial currency, which would not expose the Group to material foreign exchange risk.

(ii) Interest rate risk

The Group's interest rate risk is mainly attributable to its restricted cash, cash and cash equivalents and bank borrowings. Financial assets and liabilities at variable rates expose the Group to cash flow interest rate risk. Financial assets and liabilities at fixed rates expose the Group to fair value interest rate risk. Details of the Group's restricted cash, cash and cash equivalents and bank borrowings have been disclosed in Note 20 and Note 25 to the consolidated financial statements.

As at 31 December 2025, if interest rates on restricted cash, cash and cash equivalents and bank borrowings had been 25 basis points higher/lower with all other variables held constant, profit after income tax for the year would have been approximately RMB 14,188,000 (2024: RMB11,582,000) lower/higher, mainly as a result of higher/lower net interest expense being incurred.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

The Group's credit risk arises from trade receivables, deposits and other receivables and amounts due from related companies, restricted cash and cash and cash equivalents. Management has a credit policy in place and the exposures to these credit risks are monitored on an on-going basis. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets which are stated as follows:

	Notes	**2025** **RMB'000**	2024 RMB'000
Trade receivables	19	**4,083,419**	4,204,565
Deposits and other receivables	19	**46,317**	43,177
Amounts due from related companies	30	**155,454**	3,571
Restricted cash	20	**8,486**	3,000
Cash and cash equivalents	20	**950,638**	354,238
Maximum exposure to credit risk		**5,244,314**	4,608,551

(i) Risk management

The Group reviews regularly the recoverable amount of each individual receivables to ensure that adequate provision for impairment losses are made for irrecoverable amounts.

(ii) Impairment of financial assets

The Group has following types of financial assets that are subject to the expected credit loss model:

- trade receivables;
- deposits and other receivables;
- amounts due from related companies;
- restricted cash and
- cash and cash equivalents.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportive forwarding-looking information.

The expected loss rates are based on any historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product and the Industrial Value Added to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables arising from sales of electricity and tariff adjustment were all due from customers which are state-owned grid enterprises.

As at 31 December 2025, the directors have reassessed the historical default rates and the macroeconomic factors and on that basis, the loss allowance of RMB 41,247,000 (2024: RMB 42,470,000) were recognised with an expected credit loss rate of 1% (2024: 1%) for trade receivables.

As at 31 December 2025 and 2024, the loss allowance provision for trade receivables reconciles to the opening loss allowance for that provision as follows:

	2025 ***RMB'000***	2024 *RMB'000*
Loss allowance at 1 January	**42,470**	36,021
Provision of loss allowance recognised in the consolidated statement of profit or loss - net	**1,833**	6,449
Partial disposal of a subsidiary	**(3,056)**	–
Loss allowance at 31 December	**41,247**	42,470

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables (Continued)

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments. The Group made no write-off of trade receivables during the year (2024: Nil).

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The Group's sales are made to several major customers and there is some concentration of credit risks. Sales to the top five customers constituted approximately 60% (2024: 63%) of the Group's total revenue of the year ended 31 December 2025. They accounted for approximately 64% (2024: 71%) of the gross trade receivable balances as at 31 December 2025.

Other financial assets at amortised costs

Other financial assets at amortised costs include the amounts due from related companies and other receivables.

The credit quality of other financial assets at amortised costs has been assessed with reference to historical information about the counterparties default rates and financial position of the counterparties. Given the track record of repayment in full, the directors are of the opinion that the risk of default by these counterparties is not significant and does not expect any losses from non-performance by the counterparties. Therefore, expected credit loss rate of the amounts due from related companies and other receivables is assessed to be immaterial and no provision was made as at 31 December 2025 (2024: Nil).

Restricted cash and cash and cash equivalents

As at 31 December 2025 and 31 December 2024, most of the bank deposits were deposited with state-owned banks in the PRC and reputable banks in Hong Kong. The credit quality of restricted cash and cash and cash equivalents has been assessed by reference to external credit ratings or to historical information about the counterparty default rates. The existing counterparties do not have defaults in the past. Therefore, expected credit loss rate of restricted cash and cash and cash equivalents is assessed to be immaterial and no provision was made as at 31 December 2025 (2024: Nil).

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Group maintains liquidity by a number of means including orderly realisation of short term financial assets, receivables and certain assets that the Group considers appropriate. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of the Group's available cash and other credit lines available. The Group monitors rolling forecasts of its working capital which comprises cash and cash equivalents and borrowing facilities on the basis of expected cash flow.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interests payments computed using contractual rates, or if floating, based on the current rates at the year end date). Where the loan agreement contains a repayable on demand clause which gives the lender the unconditional right to call the loan at any time, the amounts repayable are classified in the earliest time bracket in which the lender could demand repayment. The maturity analysis for other borrowings is prepared based on the scheduled repayment dates. Balances due within 12 months approximate their carrying balances as the impact of discounting is not significant.

	On demand or less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
At 31 December 2025					
Bank borrowings and interest	2,363,951	1,369,800	1,442,641	2,937,428	8,113,820
Accruals and other payables excluding accruals of staff costs and other taxes payable	414,633	13,078	–	–	427,711
Lease liabilities	68,197	75,067	259,716	1,255,384	1,658,364
Amounts due to related companies	119,243	–	–	–	119,243
Total	2,966,024	1,457,945	1,702,357	4,192,812	10,319,138

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

	On demand or less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
At 31 December 2024					
Bank borrowings and interest	2,774,310	974,943	1,917,288	2,569,397	8,235,938
Accruals and other payables excluding accruals of staff costs and other taxes payable	435,366	15,378	–	–	450,744
Lease liabilities	64,106	64,021	244,234	1,239,002	1,611,363
Amounts due to related companies	85,912	–	–	–	85,912
Total	3,359,694	1,054,342	2,161,522	3,808,399	10,383,957

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The capital structure of the Group consists of equity and borrowings. In order to maintain or adjust the capital structure, the Group will consider the macro-economic conditions, prevailing borrowing rate in the market and adequacy of cash flows generating from operations and may raise funding through capital market or bank borrowings whenever necessary.

The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce borrowings, and repurchase its own shares when the Company's shares are trading at a discount to the expected net assets value per share, as necessary.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including "current and non-current bank borrowings" as shown in the consolidated statement of financial position) less cash and cash equivalents.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management (Continued)

As at 31 December 2025 and 2024, the gearing ratio was as follows:

	Notes	2025 RMB'000	2024 RMB'000
Bank borrowings	25	**7,297,248**	7,330,474
Less: cash and cash equivalents	20	**(950,638)**	(354,238)
Net debt		**6,346,610**	6,976,236
Total equity		**13,238,297**	12,504,485
Gearing ratio		**47.9%**	55.8%

3.3 Fair value estimation

Financial assets and liabilities

(a) Fair value hierarchy

The carrying values of financial instruments measured at fair value as at the end of the reporting period are categorised among the three levels of the fair value hierarchy defined in HKFRS 13, "Fair value Measurement", with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

As at 31 December 2025 and 2024, there are no financial assets of the Group that are measured at fair value.

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Financial assets and liabilities (Continued)

(b) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended 31 December 2025 and 2024:

Wealth management products

	2025 *RMB'000*	2024 *RMB'000*
At 1 January	**–**	–
Acquisitions	**3,256,480**	3,941,000
Disposals/settlement	**(3,260,035)**	(3,945,888)
Amounts recognised in profit or loss – Fair value change	**3,555**	4,888
At 31 December	**–**	–

There were no transfers among level 1, 2 and 3 during the year ended 31 December 2025 (2024: Nil).

Apart from the forementioned financial assets at FVPL, the Group's financial instruments recognised in the consolidated statement of financial position are mainly restricted cash, cash and cash equivalents, trade receivables, deposits and other receivables, bank borrowings and other financial liabilities carried at amortised cost. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivables and payables is either close to current market rates or the instruments are short-term in nature.

During the years ended 31 December 2025 and 2024, the financial assets at FVPL invested by the Group included wealth management products sponsored and managed by banks. The Group reports its investing cash flows arising from wealth management products on a gross basis, except for cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short.

(c) Valuation techniques, inputs and relationships to fair value

The Group manages the valuation of level 3 instruments for financial reporting purpose on a case by case basis. The Group assesses the fair value of the Group's level 3 instruments by using valuation techniques. Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments or recent prices of similar financial assets in less active markets, adjusted to reflect those differences.
- for other financial instruments - discounted cash flow analysis.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements

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

(a) Revenue recognition on tariff adjustment

Revenue arising from tariff adjustment represents subsidy received and receivable from the sales of electricity pursuant to the prevailing government policies and is recognised when the Group comply with all the requirements and conditions as required under the prevailing government policies and regulations for entitlement of the tariff adjustment. The tariff adjustment is measured based on the difference between the feed-in-tariff regime and the revenue from sales of electricity. Management exercised judgement when interpreting the relevant prevailing policies and regulations in relation to the determination of tariff adjustment.

Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of trade and other receivables

The Group makes provision for impairment of trade and other receivables based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1(b).

(b) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of these assets of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to changes in market conditions. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or nonstrategic assets that have been abandoned or sold.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Estimation uncertainty (Continued)

(c) Impairment of non-financial assets

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

(d) Current and deferred income tax

The Group is subject to income taxes in the PRC. Significant judgement is required in determining the provision for income taxes and the timing of the related payments. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

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

Deferred income tax liabilities have not been established for the withholding taxation that would be payable on the undistributed profits of certain subsidiaries which were under certain jurisdictions as the directors consider that the timing of the reversal of related temporary differences can be controlled and that is probable that the temporary will not reverse in the foreseeable future (Note 26).

5. REVENUE, OTHER INCOME AND SEGMENT INFORMATION

Revenue and other income recognised during the year are as follows:

	2025 RMB'000	2024 RMB'000
Revenue		
Recognised at a point in time:		
– Sales of electricity	1,528,360	1,464,170
– Tariff adjustment	915,948	964,792
	2,444,308	2,428,962
Recognised over time:		
– Solar farm operation and management services	9,000	11,485
	2,453,308	2,440,447

	2025 RMB'000	2024 RMB'000
Other income		
Government grants *(Note)*	24,320	12,170
Compensation of insurance claims	2,753	809
Others	12,427	9,931
	39,500	22,910

Note:

Government grants mainly represent grants received from the PRC Government in subsidising the Group's general operations.

5. REVENUE, OTHER INCOME AND SEGMENT INFORMATION (Continued)

Accounting policy of revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for electricity generated and supplied, stated net of value added taxes

Revenue is recognised when, or as, the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws applicable, control of the goods and services may be transferred over time or at a point in time.

Revenue is recognised as follows:

(a) Sales of electricity

Revenue arising from the sales of electricity is recognised at a point in time in the accounting period when electricity is generated and transmitted.

Revenue from electricity sales under the fixed feed-in tariff regime is determined based on the on-grid benchmark tariff rates of local coal-fired power plants, which vary across provinces and can be adjusted by the government of the PRC (the "**PRC Government**"). It is currently settled by state-owned grid enterprises for the electricity generated by the solar and wind farms ("**Solar and Wind Farms**") on a monthly basis. Revenue from market-based electricity sales transactions is recognised at the price stipulated in the power purchase agreement and settled in accordance with its contractual terms.

(b) Tariff adjustment

Tariff adjustment represents subsidy received and receivable from the sales of electricity to the customer pursuant to the government policy on subsidies of solar and wind energy in respect of the Group's Renewable Energy Generation Business. Tariff adjustment is recognised at a point in time at its fair value to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised from tariff adjustment will not occur if the Group will comply with all the prevailing policies and regulations.

The revenue from tariff adjustment is based on the difference between the feed-in-tariff regime implemented by the PRC Government and the revenue from the sales of electricity.

When there is an agreement to modify a contract regarding adjustments to the feed-in-tariff of the sales of electricity, in connection with the contract modification, the Group might provide a partial deduction of the tariff adjustment related to the sales of electricity. The Group should account for the deduction separately, because it is an adjustment to the transaction price of the previously transferred goods. Thus, it should recognise the amount of the deduction immediately as a reduction of revenue and exclude it from the application of the modification guidance.

5. REVENUE, OTHER INCOME AND SEGMENT INFORMATION (Continued)

Accounting policy of revenue recognition (Continued)

(c) Solar farm operation and management services

Solar farm operation and management services include operation and management of solar farm projects, training, technical and expert support services to the connection-ready solar farm projects held by other parties.

Solar farm operation and management services are recognised over time when the services are provided over time.

Accounting policy of government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Accounting policy of segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors of the Company that make strategic decisions.

Segment information

The Group is mainly engaged in the operation and management of Solar and wind farms in the PRC. Information reported to the Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available.

No segment of assets and liabilities are presented as no discrete financial information is available.

Majority of the non-current assets of the Group are located in the PRC and with country of domicile being the PRC.

Revenue from major customers which are state-owned grid enterprises for the year is set out below:

	2025 ***RMB'000***	2024 *RMB'000*
Customer A	**373,600**	466,448
Customer B	**339,971**	360,021
Customer C	**426,497**	364,463

6. OTHER GAINS/(LOSSES), NET

	2025 *RMB'000*	2024 *RMB'000*
Foreign exchange gains/(losses), net	**8,343**	(3,578)
Gain on partial disposal of a subsidiary *(Note 27)*	**131,901**	–
Loss on disposal of property, plant and equipment	**(563)**	(992)
Net fair value gains on financial assets at FVPL	**3,555**	4,888
Impairment loss of goodwill *(Note 18)*	**(49,945)**	(37,991)
	93,291	(37,673)

7. EXPENSES BY NATURE

Expenses included in cost of sales and administrative expenses are analysed as follows:

	2025 *RMB'000*	2024 *RMB'000*
Depreciation charge of property, plant and equipment *(Note 16)*	**729,424**	654,136
Depreciation charge of right-of-use assets *(Note 17)*	**50,400**	39,442
Employee benefit expenses (including directors' emoluments) *(Note 9)*	**68,776**	65,747
Electricity	**27,882**	29,282
Auditor's remuneration – Audit services	**1,617**	1,294
Legal and professional fees	**3,661**	4,074
Insurance expenses	**6,473**	5,090
Repair and maintenance	**45,743**	38,167
Other expenses	**64,458**	52,017
	998,434	889,249

8. EMPLOYEE BENEFIT EXPENSES

	2025 *RMB'000*	2024 *RMB'000*
Wages and salaries (including directors' emoluments)	**60,219**	59,765
Retirement benefits scheme contribution *(Note)*	**7,365**	6,422
Share options granted to employees	**1,192**	(440)
	68,776	65,747

Note:

The Group participates in a Mandatory Provident Fund scheme (the "**MPF scheme**") in accordance with the Mandatory Provident Fund Scheme Ordinance of Hong Kong. These plans are funded by contributions from employees and by the Group and the Group's contributions to the plans are expensed as incurred. No forfeited contribution is available to reduce the contribution payable in future year. The assets are held separately from those of the Group and managed by related independent professional fund managers.

The Group's subsidiaries in the PRC also participate in defined contribution retirement schemes covering its PRC employees. The schemes are administered by the relevant government authorities in the PRC. The Group and the PRC eligible employees are required to make contributions based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC and the relevant government authorities undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group's subsidiaries in the PRC. No forfeited contribution is available to reduce the contribution payable in future years.

During the year ended 31 December 2025, no forfeited contributions were utilised by the Group to reduce its contribution for the current year (2024: nil). As at 31 December 2025, no forfeited contribution was available to reduce the contribution payable in future years.

8. EMPLOYEE BENEFIT EXPENSES (Continued)

Five highest paid individuals

One (2024: two) of the five highest paid individuals were the directors of the Company for the year ended 31 December 2025.

Details of the remuneration of the remaining four (2024: three) non-director highest paid individuals for the year ended 31 December 2025 are analysed as follows:

	2025 *RMB'000*	2024 *RMB'000*
Salaries, allowances and benefits in kind	**2,722**	1,959
Retirement benefit scheme contributions	**66**	41
Share options granted	**254**	90
	3,042	2,090

The emoluments of the remaining four (2024: three) non-director highest paid individuals for the year ended 31 December 2025 fell within the following bands:

	Number of individuals	
	2025	2024
Nil to HK$ 1,000,000	**4**	3
HK$ 1,000,001 to HK$ 1,500,000	**–**	–
HK$ 1,500,001 to HK$ 2,000,000	**–**	–
	4	3

9. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of every director is set out below:

For the year ended 31 December 2025:

Name of directors *(Note (i))*	**Fees** *RMB'000*	**Salary** *RMB'000*	**Discretionary bonuses** *(Note (ii))* *RMB'000*	**Employer's contribution to a retirement benefit scheme** *RMB'000*	**Total** *RMB'000*
Mr. LEE Shing Put, B.B.S.	–	–	–	–	–
Tan Sri Datuk TUNG Ching Sai, *P.S.M, D.M.S.M, J.P.*	–	–	–	–	–
Mr. LEE Yau Ching	–	–	–	–	–
Mr. TUNG Fong Ngai	231	1,702	3,038	16	4,987
Mr. LEUNG Ting Yuk	258	–	–	–	258
The Hon. IP Kwok Him, G.B.M., G.B.S., J.P.	231	–	–	–	231
Ms. LYU Fang	231	–	–	–	231
	951	1,702	3,038	16	5,707

9. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

For the year ended 31 December 2024:

Name of directors *(Note (i))*	Fees *RMB'000*	Salary *RMB'000*	Discretionary bonuses *(Note (ii))* *RMB'000*	Employer's contribution to a retirement benefit scheme *RMB'000*	Total *RMB'000*
Mr. LEE Shing Put, B.B.S.	–	–	1,833	–	1,833
Tan Sri Datuk TUNG Ching Sai, *P.S.M, D.M.S.M, J.P.*	–	–	–	–	–
Mr. LEE Yau Ching	–	–	–	–	–
Mr. TUNG Fong Ngai	230	1,582	4,215	17	6,044
Mr. LEUNG Ting Yuk	258	–	–	–	258
The Hon. IP Kwok Him, G.B.M., G.B.S., J.P.	230	–	–	–	230
Ms. LYU Fang	230	–	–	–	230
	948	1,582	6,048	17	8,595

Notes:

(i) The remuneration shown above represents remuneration received/receivable from the Group by these directors in their capacity as employees to the Group and/or in their capacity as directors of the companies now comprising the Group.

(ii) The discretionary bonuses are determined with reference to the operating results of the Group, individual performance and comparable market statistics during the respective years.

(iii) The allowances and benefits in kind include housing allowances and estimated money value of share options.

(iv) Mr. LEE Shing Put, B.B.S., Tan Sri Datuk TUNG Ching Sai, J.P., Mr. LEE Yau Ching waived emoluments of RMB228,000 (2024: RMB230,000), RMB228,000 (2024: RMB230,000) and RMB228,000 (2024: RMB230,000) respectively for the year.

Except for these, no directors waived or agreed to waive any emoluments for the years ended 31 December 2025 and 2024.

(v) For the year ended 31 December 2025, no incentive payment for joining the Group or compensation for loss of office was paid or payable to any directors (2024: Nil).

(vi) Mr. TUNG Fong Ngai is also the Chief Executive Officer of the Group and his remuneration disclosed above include those for services rendered by him as the Chief Executive Officer.

9. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

(vii) Aggregate emoluments paid to or receivable by the directors in respect of their services as directors, whether of the Company or its subsidiary undertaking is RMB951,000 (2024: RMB948,000).

(viii) Aggregate emoluments paid to or receivable by the directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertaking is RMB4,756,000 (2024: RMB7,647,000).

(b) Directors' termination benefits

For the year ended 31 December 2025, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the director; nor are any payable (2024: Nil).

(c) Consideration provided to third parties for making available directors' services

There was no consideration provided to or receivable by third parties for making available directors' services of a person as a director of the Company for the year ended 31 December 2025 (2024: Nil).

(d) Directors' material interests in transactions, arrangements or contracts

For the year ended 31 December 2025, there were no significant transactions, agreements and contracts in relation to the Group's business to which the Company was a party and in which the directors of the Company had material interest, whether directly or indirectly, other than those disclosed in Note 30 (2024: Nil).

(e) Directors' loans, quasi-loans and other dealings

For the year ended 31 December 2025, there were no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors, other than those disclosed in Note 30(b) (2024: Nil).

10. FINANCE INCOME AND COSTS

	2025 *RMB'000*	2024 *RMB'000*
Finance income		
Interest income from bank deposits	**1,364**	2,602
Other interest income	**1,726**	–
	3,090	2,602
Finance costs		
Interest on lease liabilities	**52,313**	45,318
Interest expense on bank borrowings	**225,170**	319,457
	277,483	364,775

11. INCOME TAX EXPENSE

	2025 *RMB'000*	2024 *RMB'000*
Current income tax		
PRC corporate income tax ("**CIT**") *(Note (c))*	**280,313**	303,846
PRC withholding tax *(Note (e))*	**38,009**	75,850
Underprovision in prior years	**11**	–
	318,333	379,696
Deferred income tax *(Note 26)*	**(16,458)**	(3,476)
	301,875	376,220

Notes:

(a) The Company was incorporated in the BVI and is exempted from payment of the BVI income tax.

(b) No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2024: Nil).

(c) The applicable CIT rate for the Group's subsidiaries in the PRC is 25% (2024: 25%) except that:

- A subsidiary engaging in operation and management of solar farms in Anhui Province is qualified as a "High and New Technology Enterprise"and would be entitled to enjoy a preferential CIT rate of 15% (2024: 15%);
- A subsidiary engaging in development of operation and management systems in Guangxi Zhuang Autonomous Region is qualified as an "Encouraged Enterprise" in the Catalogue of Industries Encouraged for Foreign Investment in Central and Western Region and would be entitled to enjoy a preferential CIT rate of 15% (2024: 9%);
- Ten subsidiaries engaging in solar farms business are eligible as a Small Low-profit Enterprise is subject to preferential tax treatments. a Small Low-profit Enterprise with annual taxable income not more than RMB1,000,000 is subject to Enterprise Income Tax calculated at 25% of its taxable income at a tax rate of 20% (2024: 20%); and
- Subsidiaries engaging in the solar farms business enjoyed tax holiday and their profits are fully exempted from the CIT for three years starting from its first year of revenue generation, followed by 50% reduction in CIT in next three years. However, their government grants and compensation of insurance claims received are subject to the CIT rate of 25% (2024: 25%).

(d) Taxation on overseas profits mainly include Malaysia income tax and Japanese Income Tax which has been calculated on the estimated assessable profits for the year at the standard Malaysia corporate income tax rates of 24% (2024: 24%) and the standard Japan corporate tax rate of 15% (2024: Nil) respectively.

(e) Withholding tax on remitted earnings

Withholding tax is levied on dividends declared to foreign investors by the foreign investment enterprises established in the PRC, in respect of earnings generated after 31 December 2007 and tax expense arising from the disposal of a PRC subsidiary. For the year ended 31 December 2025, dividends remitted from the PRC subsidiaries were subject to 5% withholding tax.

11. INCOME TAX EXPENSE (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of PRC as follows:

	2025 *RMB'000*	2024 *RMB'000*
Profit before income tax	**1,311,496**	1,167,722
Calculated at tax rate of 25%	**327,873**	291,931
Preferential tax rates on income of certain PRC subsidiaries	**(110,370)**	(100,926)
Effect of different tax rates in other country and district	**(77,879)**	2,218
Income not subject to tax	**(21,048)**	–
Expenses not deductible for tax purposes	**180,788**	93,130
PRC withholding tax incurred by HK Companies	**2,500**	89,867
Adjustments in respect of current tax of previous periods	**11**	–
	301,875	376,220

The share of tax attributable to investments accounted for using the equity method amounting to RMB351,000 (2024: Nil), is included in "Share of profits/(loss) of investments accounted for using the equipment method" in the consolidated statement of profit or loss.

12. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Profit attributable to equity holders of the Company (RMB'000)	**1,010,712**	790,851
Weighted average number of ordinary shares in issue (thousands)	**8,424,292**	8,283,062
Basic earnings per share (RMB cents)	**12.00**	9.55

12. EARNINGS PER SHARE (Continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares comprise of share options.

	2025	2024
Profit attributable to equity holders of the Company (RMB'000)	1,010,712	790,851
Weighted average number of ordinary shares in issue (thousands)	8,424,292	8,283,062
Adjustment for share options (thousands)	85	–
	8,424,377	8,283,062
Diluted earnings per share (RMB cents)	12.00	9.55

13. DIVIDENDS

	2025 *RMB'000*	2024 *RMB'000*
Interim dividend of 2.9 HK cents (2024: 2.3 HK cents) per share *(Note (a))*	224,355	177,750
Proposed final dividend of 3.6 HK cents (2024: final dividend of 2.7 HK cents) per share *(Note (b))*	275,885	212,758

Notes:

(a) An interim dividend for the six months ended 30 June 2025 of 2.9 HK cents per share (2024: 2.3 HK cents per share) was partially paid in cash and partially settled by the issuance of 66,476,454 shares (2024: 113,719,155 shares) in respect of scrip dividend to shareholders for whose names appeared on the register of members of the Company on 10 October 2025 (2024: 19 August 2024).

(b) A final dividend in respect of the year ended 31 December 2025 of 3.6 HK cents per share (2024: 2.7 HK cents per share), amounting to a total dividend of HK$306,710,000, equivalent to RMB275,885,000 (2024: HK$226,170,000, equivalent to RMB212,758,000), is to be proposed at the forthcoming annual general meeting.

The amount of 2025 proposed final dividend is based on 8,519,712,351 shares in issue as at 31 December 2025. These consolidated financial statements do not reflect this proposed dividend payable for the year ended 31 December 2025. The amount of 2024 proposed final dividend represented an aggregate dividend partially paid in cash and partially settled by issuance of 76,582,140 shares is based on 8,376,653,757 shares in issue as at the record date for the dividend entitlement.

14. SUBSIDIARIES

Details of the principal subsidiaries at 31 December 2025 are as follows:

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Directly held by the Company					
Xinyi Energy (BVI) Limited ("**Xinyi Energy (BVI)**")	The BVI, limited liability company	Investment holding	200 ordinary shares of US$1 each	100%	–
Indirectly held by the Company					
Wise Regal Investments Limited	Hong Kong, limited liability company	Investment holding	10,000 ordinary shares of HK$1 each	100%	–
Hong'an Xinyi Renewable Energy Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD35,000,000	100%	–
Xinyi Solar (Wuhu) Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD35,000,000	100%	–
Xinyi Renewable Energy (Bozhou) Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD35,000,000	100%	–
Xinyi Solar (Shouxian) Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB215,000,000	100%	–
Wuhu Xinyi Renewable Energy Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB300,000,000	100%	–
Lu'an Xinyi Renewable Energy Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB300,000,000	100%	–
Xinyi Solar (Xiaochang) Limited ("**Xiaochang**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD32,700,000	100%	-

14. SUBSIDIARIES (Continued)

Details of the principal subsidiaries at 31 December 2025 are as follows: (Continued)

Name	Place of i ncorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Indirectly held by the Company (Continued)					
Xinyi Solar (Suiping) Limited ("**Suiping**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB 210,000,000	100%	–
Xinyi Renewable Energy (Shouxian) Limited ("**Shouxian**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD 35,000,000	100%	–
Xinyi Solar (Huainan) Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD 12,000,000	100%	–
Xinyi Solar (Wuwei) Limited ("**Wuwei**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD9,000,000	100%	–
Wuwei Rihao Renewable Energy Limited ("**Wuwei Rihao**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB10,000,000	100%	–
Guangdong Shenke New Energy Co., Ltd. ("**Guangdong Shenke**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB30,000,000	100%	–
Xinyi Renewable Energy (Xiangyang) Co., Ltd ("**Xiangyang**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB53,000,000	100%	–
Wuwei Xinchuang Renewable Energy Limited ("**Wuwei Xinchuang**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB8,000,000	100%	-
Anlu Jingshun Renewable Energy Limited ("**Anlu Jingshun**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid capital of USD16,000,000	100%	–
Hubei Jingping Renewable Energy Limited ("**Hubei Jingping**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid capital of USD16,000,000	100%	–
Huainan Xinyi Renewable Energy Limited ("**Huainan Xinyi**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of USD13,000,000	100%	–
Xinyi Renewable Energy (Huaibei) Limited ("**Huaibei Xinyi**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of USD25,000,000 and paid up capital of USD5,861,911.74	100%	–

14. SUBSIDIARIES (Continued)

Details of the principal subsidiaries at 31 December 2025 are as follows: (Continued)

Name	Place of i ncorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Indirectly held by the Company (Continued)					
Zaoqiang County Huisheng Renewable Energy Limited ("**Zaoqiang Huisheng**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB35,000,000	100%	–
Qingyang County Hewu Renewable Energy Technology Limited ("**Qingyang Hewu**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB51,000,000	100%	–
Heshan City Hongde Renewable Energy Limited ("**Heshan Hongde**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB85,000,000	100%	–
Xinyi Solar (Xiangyang) Limited ("**Solar Xiangyang**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB8,000,000	100%	-
Wuhu Xiangtai Solar Power Development Limited ("**Wuhu Xiangtai**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB45,000,000	100%	–
Baoji Yilin Renewable Energy Limited ("**Baoji Yilin**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of USD2,100,000 and nil paid up	100%	–
Xinan Renewable Energy (Anlu) Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB75,000,000	100%	–
Xinmu Renewable Energy (Anlu) Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB81,000,000	100%	–
Xinze Renewable Energy (Xiangyang) Limited ("**Xinze Xiangyang**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered and paid up capital of RMB88,000,000	100%	–

14. SUBSIDIARIES (Continued)

Details of the principal subsidiaries at 31 December 2025 are as follows: (Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Indirectly held by the Company (Continued)					
Xinyi Renewable Energy (Xiaochang) Limited ("**Xinyi Xiaochang**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB8,000,000 and nil paid up	100%	–
Xinyi Solar (Haikou) Limited ("**Solar (Haikou)**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB 456,484,000 and paid up capital of RMB37,765,480	100%	–
Xinze Renewable Energy (Kaiping) Limited ("**Xinze Kaiping**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB50,000,000 and nil paid up	100%	–
Xinyi Renewable Energy (Hexian) Limited ("**Xinyi Hexian**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB73,000,000 and paid up capital of RMB21,555,300	100%	-
Wuhu Xinfu Renewable Energy Limited ("**Wuhu Xinfu**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB106,738,500 and paid up capital of RMB14,000,000	100%	–
Xinchuang Renewable Energy (Lianjiang) Limited ("**Xinchuang (Lianjiang)**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB1,000,000 and nil paid up	100%	–
Xinyun Solar (Qujing) Limited ("**Xinyun Qujing**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB260,000,000 and paid up capital of RMB260,000,000	100%	–
Wuhu Xinzhi Renewable Energy Limited ("**Wuhu Xinzhi**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB212,946,000 and paid up capital of RMB42,707,229.11	100%	–

14. SUBSIDIARIES (Continued)

Details of the principal subsidiaries at 31 December 2025 are as follows: (Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Indirectly held by the Company (Continued)					
Wuhu Xintu Renewable Energy Limited ("**Xintu**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB7,209,800 and paid up capital of RMB7,209,800	100%	–
Kaiping City Ruide Renewable Energy Limited	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB500,000 and nil paid up	100%	–
Xinyun Renewable Energy (Yunfu) Limited ("**Yunfu**")	The PRC, limited liability company	Management and operation of solar farm in the PRC	Registered capital of RMB64,934,000 and paid up capital of RMB7,179,700	100%	–
Xinyi Wind Power (Jinzhai) Company Limited ("**Jinzhai Wind Power**")	The PRC, limited liability company	Management and operation of wind farm in the PRC	Registered and paid-up capital of RMB12,195,129	100%	–

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2025 RMB'000	2024 RMB'000
At 1 January	628	–
Capital injection	–	672
Recognition of an associate upon disposal of interests in a subsidiary (Note 27)	494,410	–
Share of net profits/(loss)	57	(91)
Currency translation differences	17	47
At 31 December	495,112	628

The equity interests in the investments listed below are held by the Group at 31 December 2025.

Name of entity	Place of business/ incorporation	Principal activities	% of ownership interest	Measurement method
Parkland Renewable Energy Sdn. Bhd. ("**Parkland Energy**")	Malaysia	Investment holding	40%	Equity accounting
Parkland RPVI Sdn. Bhd. ("**Parkland RPVI**")	Malaysia	Management and operation of solar projects	40%	Equity accounting
Ortus Synergy Sdn. Bhd. ("**Ortus**")	Malaysia	Provision of engineering, procurement, construction and commissioning services for solar photovoltaics systems	22%	Equity accounting
Parkland LSS5 Sdn Bhd ("**LSS5**")	Malaysia	Management and operation of solar projects	40%	Equity accounting
Xinyi Solar (Tianjin) Limited ("**Solar Tianjin**")	The PRC	Management and operation of solar farm in PRC	49%	Equity accounting

Parkland Energy, Parkland RPVI, Ortus, LSS5 and Solar Tianjin are private companies and there is no quoted market price available for their shares.

As at 31 December 2025, there are no contingent liabilities relating to the Group's interest in Parkland Energy, Parkland RPVI, Ortus and Solar Tianjin.

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

On 26 April 2024, Parkland Energy was incorporated as a joint venture of the Group, with registered capital of Malaysian Ringgit ("**MYR**") 1,100,000. Parkland RPVI and LSS5 are wholly owned subsidiaries of Parkland Energy. Ortus is non-wholly owned subsidiary which is 55% owned by Parkland Energy.

On 19 December 2025, Solar Tianjin was derecognised as a subsidiary and become an associate upon the disposal of 51% equity interests of Solar Tianjin (Note 27(a)).

Solar Tianjin, which is considered an investment accounted for using the equity method of the Group and the following table illustrates the summarised financial information in respect of Solar Tianjin:

	2025 ***RMB'000***
Current assets	**338,702**
Non-current assets, excluding goodwill	**671,573**
Current liabilities	**(147,169)**
Non-current liabilities	**(492)**
Net assets	**862,614**
Reconciliation to the Group's interest in the associate:	
Proportion of the Group's ownership	**49%**
Group's share of net assets of the associate, excluding goodwill	**422,681**
Goodwill on acquisition	**72,380**
Carrying amount of the investment	**495,061**
Summaries profit or loss and other comprehensive income	
Revenue since 20 December 2025 to 31 December 2025	**4,397**
Profit for the year since 20 December 2025 to 31 December 2025	**1,326**
Total comprehensive income since 20 December 2025 to 31 December 2025	**1,326**

16. PROPERTY, PLANT AND EQUIPMENT

	Solar and wind farms RMB'000	Buildings RMB'000	Motor vehicles, furniture and fixtures, equipment and others RMB'000	Total RMB'000
Year ended 31 December 2025				
At 1 January 2024				
Cost	16,472,006	179,089	30,329	16,681,424
Accumulated depreciation	(2,948,807)	(43,351)	(9,589)	(3,001,747)
Net book amount	13,523,199	135,738	20,740	13,679,677
Opening net book amount	13,523,199	135,738	20,740	13,679,677
Additions *(Note)*	2,352,430	15,013	10,552	2,377,995
Disposal	(1,497)	–	(257)	(1,754)
Depreciation charge	(650,424)	(6,153)	(3,403)	(659,980)
Currency translation differences	(990)	–	–	(990)
Closing net book amount	15,222,718	144,598	27,632	15,394,948
At 1 January 2025				
Cost	**18,902,748**	**196,196**	**42,109**	**19,141,053**
Accumulated depreciation	**(3,680,030)**	**(51,598)**	**(14,477)**	**(3,746,105)**
Net book amount	**15,222,718**	**144,598**	**27,632**	**15,394,948**
Opening net book amount	**15,222,718**	**144,598**	**27,632**	**15,394,948**
Additions *(Note)*	**759,441**	**46,080**	**212,134**	**1,017,655**
Disposal	**(6,973)**	**–**	**(68)**	**(7,041)**
Partial disposal of a subsidiary	**(664,828)**	**(10,447)**	**(855)**	**(676,130)**
Depreciation charge	**(717,701)**	**(6,898)**	**(4,825)**	**(729,424)**
Currency translation differences	**–**	**–**	**(7)**	**(7)**
Closing net book amount	**14,592,657**	**173,333**	**234,011**	**15,000,001**
At 31 December 2025				
Cost	**18,652,332**	**243,065**	**378,456**	**19,273,853**
Accumulated depreciation	**(4,059,675)**	**(69,732)**	**(144,445)**	**(4,273,852)**
Net book amount	**14,592,657**	**173,333**	**234,011**	**15,000,001**

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

In March and December 2025, the Group completed the acquisition of a solar farm project in Anhui with aggregate of 30 megawatts ("**MW**") and 2 solar farm projects in Guangdong with aggregate of 200 MW in the PRC, respectively by way of acquiring all issued shares of Xinyu, Xinjie Solar (Wuhu) Limited, and Yunfu from Rise Trend Investment Limited, Grand Trend Investment Limited and Sky Jumbo International Limited, subsidiaries of Xinyi Solar.

In December 2025, the Group completed the acquisition of a wind farm project in Anhui ("**Jinzhai Wind Power**") with aggregate approved capacity of 64 MW, by way of acquiring 82% and 18% issued shares of Jinzhai Wind Power from Xinyi Energy Smart (Wuhu) Company Limited ("**Xinyi Energy Smart Wuhu**"), a subsidiary of Xinyi Glass Holdings Limited, and Anhui Xinyi Power Source Company Limited ("**Anhui Xinyi Power Source**"), a subsidiary of Xinyi Electric Storage Holdings Limited, respectively.

In June, September and December 2024, the Group completed the acquisition of a solar farm project in Guangdong with aggregate approved capacity of 200 MW, 5 solar farm projects in Yunnan with aggregate approved capacity of 560 MW, and a solar farm project in Anhui with aggregate approved capacity of 100 MW in the PRC, respectively by way of acquiring all issued shares of Xinchuang (Lianjiang), Xinyun Qujing and Wuhu Xinzhi from Sun Wisdom Development Limited ("**Sun Wisdom**"), a subsidiary of Xinyi Solar.

The Group accounted for these transactions as acquisition of assets.

	2025 ***RMB'000***	2024 *RMB'000*
Depreciation charged in consolidated statement of profit or loss:		
– Cost of sales	**728,541**	653,304
– Administrative expenses	**883**	832
	729,424	654,136

Accounting policy of depreciation

Depreciation of completed solar and wind farm commences when the solar and wind farm are successfully connected to grids and have completed trial operation. Depreciation of completed property, plant and equipment commences when the assets are ready for use.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

– Solar Farms	25 years
– Wind Farm	20 years
– Buildings	30 years
– Motor vehicles, furniture and fixtures, equipment and others	5-15 years

17. LEASES

The Group as a lessee

The Group leases offices and land. Rental contracts are typically made for fixed periods of 2 to 30 years. Lease terms are negotiated on an individual basis but contain similar terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Pursuant to the lease agreements signed with landlords, landlords have agreed to reimburse the Group in respect of any PRC taxes, levies or surtaxes, which may be imposed on the Group for the use of the land under the current PRC tax laws and regulations, in case the Group may be liable.

(a) Right-of-use assets

	Leasehold land *RMB'000*	Office *RMB'000*	Total *RMB'000*
As at 1 January 2024	673,465	1,840	675,305
Additions	333,959	323	334,282
Depreciation charge *(Note 7)*	(38,567)	(875)	(39,442)
Currency translation differences	–	3	3
As at 31 December 2024	968,857	1,291	970,148
As at 1 January 2025	**968,857**	**1,291**	**970,148**
Additions	**117,205**	**–**	**117,205**
Partial disposal of a subsidiary	**(27,394)**	**–**	**(27,394)**
Depreciation charge *(Note 7)*	**(49,524)**	**(876)**	**(50,400)**
Reassessment	**(29,070)**	**–**	**(29,070)**
Currency translation differences	**–**	**(5)**	**(5)**
As at 31 December 2025	**980,074**	**410**	**980,484**

17. LEASES (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Lease liabilities		
At 1 January	**976,437**	698,814
Principal element of lease payments	**(70,923)**	(73,005)
Additions	**101,359**	305,305
Disposal of a subsidiary *(Note 27)*	**(38,063)**	–
Interest for lease liabilities *(Note 10)*	**52,313**	45,318
Reassement	**(29,503)**	–
Currency translation difference	**(3)**	5
At 31 December	**991,617**	976,437
Analysed into:		
Current	**61,168**	56,962
Non-current	**930,449**	919,475
	991,617	976,437

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets		
Leasehold land	**49,524**	38,567
Office	**876**	875
	50,400	39,442
Interest expense (included in finance cost)		
Leasehold land	**52,259**	45,218
Office	**54**	100
	52,313	45,318

(d) The total cash outflow for leases is disclosed in note 28(d) to the financial statements.

18. GOODWILL

	2025	2024
	RMB'000	*RMB'000*
At 1 January	**273,950**	311,941
Impairment loss	**(49,945)**	(37,991)
At 31 December	**224,005**	273,950

For the purpose of impairment assessment, goodwill arising from:

a) Acquisition relating to five utility-scale ground-mounted solar farm projects in 2019 (the "**2019 Acquisition**") is allocated to four cash-generating units under Xiaochang, Suiping, Shouxian and Wuwei, respectively;

b) Acquisition relating to three solar farm projects from Xinyi Power (BVI) Limited ("**Xinyi Power (BVI)**") in 2020 are allocated to three cash-generating units under Guangdong Shenke, Wuwei Xinchuang and Xiangyang, respectively;

c) Acquisition relating to two solar farm projects from independent third parties in 2020 are allocated to two cash-generating units under Wuwei Rihao and Anlu Jingshun, respectively;

d) Acquisition relating to six solar farm projects from Xinyi Power (BVI) in 2021 are allocated to six cash-generating units under Huaibei Xinyi, Zaoqiang Huisheng, Huainan Xinyi, Qingyang Hewu, Heshan Hongde, Solar (Xiangyang), respectively;

e) Acquisition relating to two solar farm projects from independent third parties in 2021 are allocated to two cash-generating units under Hubei Jingping and Wuhu Xiangtai respectively; and

f) Acquisition relating to a solar farm project from an independent third party in 2022 is allocated to a cash-generating unit under Baoji Yilin.

The recoverable amounts of each cash-generating unit are determined based on higher of VIU or FVLCOD calculations covering a period of the useful lives of the solar farm projects. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

18. GOODWILL (Continued)

During the year ended 31 December 2025, the management determined the recoverable amount of solar farm and wind farm projects acquired by the Group using FVLCOD calculation. The key assumptions and estimates used in determining the FVLCOD are as follows:

	31 December 2025	31 December 2024	Approach to determine key assumption
Cash flow forecast period	**18-21 years**	19-22 years	Estimate with reference to the remaining years of land use right
Annual utilisation hours per MWp	**900MWh/MWp to 1,300MWh/MWp**	1,200MWh/MWp to 1,367MWh/MWp	Estimate with reference to industry report and weather information
Feed-in-tariff	**RMB0.32/kWh to RMB0.61/kWh**	RMB0.01/kWh to RMB0.61/kWh	Estimate by prevailing government policies and regulations on feed-in-tariff
Degradation factor	**0.5%-0.6%per annum**	0.5%-0.6%per annum	Estimate with reference to industry report and weather information
Post-tax discount rate	**6.2%-8.4%**	6.3%-8.7%	Estimate by benchmarking the cost of equity and cost of debt of market participants

Management has engaged an independent external valuer to assist in performing impairment assessments for Group's solar farm projects. Based on the impairment assessments performed, the recoverable amounts of five (2024: four) cash-generating units were below the carrying amounts. As a result, the Group made impairment provision for the goodwill amounting to RMB49,945,000 (2024: RMB37,991,000). The impairment loss is primarily resulted from the delay in settlement of tariff adjustment receivables.

The recoverable amounts of the remaining cash-generating units would equal carrying amounts if the key assumptions at 31 December 2025 were to change as follows:

Annual utilisation hours per MWp decrease by	36 MWh/MWp to 436 MWh/MWp
Discount rate increases by	0.46% to 6.4%

18. GOODWILL (Continued)

Accounting policy of goodwill

Goodwill is measured as described in Note 35.2. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments. An impairment loss is recognised for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of its FVLCOD and VIU.

19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2025 ***RMB'000***	2024 *RMB'000*
Trade receivables *(Note (a))*	**4,124,666**	4,247,035
Less: Loss allowance for trade receivables *(Note (b))*	**(41,247)**	(42,470)
Trade receivables, net	**4,083,419**	4,204,565
Deposits and other receivables *(Note (c))*	**46,317**	43,177
Other tax receivables *(Note (d))*	**287,755**	304,456
Prepayments for land use rights and property, plant and equipment	**46,030**	27,735
Other prepayments	**77,460**	28,112
	4,540,981	4,608,045
Less: Non-current portion		
Prepayments for land use rights and property, plant and equipment	**(46,030)**	(27,735)
Current portion	**4,494,951**	4,580,310

19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

Notes:

(a) Trade receivables

As at 31 December 2025, trade receivables comprised receivables from sales of electricity and tariff adjustment receivables. The category analysis of trade receivables is set out below:

	2025 *RMB'000*	2024 *RMB'000*
Receivables from sales of electricity	**129,458**	168,355
Tariff adjustment receivables	**3,995,208**	4,078,680
	4,124,666	4,247,035

Receivables from sales of electricity were usually settled on a monthly basis by the state-owned grid enterprises. Tariff adjustment receivables represent government subsidies on renewable energy to be received from the state-owned grid enterprises in accordance with prevailing government policies and prevalent payment pattern of the Ministry of Finance.

During the year ended 31 December 2025, the Group received aggregate payment of RMB894,889,000 (2024: RMB484,006,000) for the subsidies in relation to the solar power generation by the solar farm projects enlisted on the Renewable Energy Power Generation Project List. The Ministry of Finance does not set out a rigid timetable for the settlement of tariff adjustment receivables. However, given the collection of tariff adjustment receivables is well supported by the government policy, the collection of tariff adjustment receivables is expected in the normal operating cycle, and they are classified as current assets.

The ageing analysis of trade receivables based on the Group's revenue recognition policy is as follows:

	2025 *RMB'000*	2024 *RMB'000*
0 to 90 days	**313,241**	378,705
91 days to 180 days	**280,487**	325,528
181 days to 365 days	**476,360**	549,483
Over 365 days	**3,054,578**	2,993,319
	4,124,666	4,247,035

The carrying amounts of the Group's trade receivables are denominated in RMB.

19. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

Notes: (Continued)

(b) Loss allowance for trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivable.

Loss allowance for trade receivables of RMB41,247,000 was made by the Group as at 31 December 2025 (2024: RMB42,470,000).

Information about the impairment of trade receivables and the Group's exposure to credit risk is set out in Note 3.1(b).

(c) Deposits and other receivables

Deposits and other receivables are all expected to be recoverable and therefore no provision was made. The ageing of deposits and other receivables was within one year. The carrying amounts of the Group's deposits and other receivables are mainly denominated in RMB.

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

(d) Other tax receivables

Other tax receivables mainly represent value added tax ("**VAT**") recoverable, which is creditable input VAT on purchase of property, plant and equipment. They will be offset against output VAT on sales of solar electricity and tariff adjustment. The balance is denominated in RMB.

(e) The carrying amounts of trade and other receivables approximate to their fair values.

(f) The other classes within trade and other receivables do not contain impaired assets.

Accounting policy of trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Accounting policy of impairment of trade and other receivables

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Impairment on deposits and other receivables are measured at either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of receivables has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

20. CASH AND BANK BALANCES

	2025 RMB'000	2024 RMB'000
Cash at bank	**950,638**	354,238
Restricted cash *(Note (a))*	**8,486**	3,000
Cash and bank balances *(Note (b))*	**959,124**	357,238
Maximum exposure of credit risk	**959,124**	357,238

Notes:

(a) As at 31 December 2025 and 2024, restricted cash at bank represents cash at bank with limited use purposes.

(b) As at 31 December 2025, funds of the Group amounting to RMB862,427,000 (2024: RMB334,172,000), RMB3,207,000 (2024: RMB2,022,000) and RMB5,382,000 (2024:nil) were deposited in bank accounts opened with banks in the PRC, Malaysia and Japan, respectively, where the remittance of funds is subject to foreign exchange control. The remaining funds of RMB88,108,000 (2024: RMB21,044,000) as at 31 December 2025 were deposited in reputable banks in Hong Kong.

The carrying amounts of the Group's cash and bank balances are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RMB	**891,726**	337,761
JPY	**44,787**	–
HK$	**17,408**	14,715
US$	**5,060**	4,229
MYR	**143**	533
	959,124	357,238

21. SHARE CAPITAL

	2025		2024	
	Number of ordinary shares *'000*	**Ordinary shares of HK$0.01 each** *HK$'000*	Number of ordinary shares *'000*	Ordinary shares of HK$0.01 each *HK$'000*
Authorised:				
At 1 January 2024, 31 December 2024 and 2025	**800,000,000**	**8,000,000**	800,000,000	8,000,000

	2025		2024	
	Number of ordinary shares *'000*	**Ordinary shares of HK$0.01 each** *RMB'000*	Number of ordinary shares *'000*	Ordinary shares of HK$0.01 each *RMB'000*
Issued and fully paid:				
At beginning of year	**8,376,654**	**72,497**	8,256,589	71,412
Issuance of shares in respect of scrip dividend of 2023 final dividend	**–**	**–**	6,346	59
Issuance of shares in respect of scrip dividend of 2024 interim dividend	**–**	**–**	113,719	1,026
Issuance of shares in respect of scrip dividend of 2024 final dividend *(Note (a))*	**76,582**	**702**	–	–
Issuance of shares in respect of scrip dividend of 2025 interim dividend *(Note (b))*	**66,476**	**609**	–	–
At the end of year	**8,519,712**	**73,808**	8,376,654	72,497

21. SHARE CAPITAL (Continued)

Notes:

(a) On 10 June 2025, the shareholders approved in annual general meeting a final dividend of 2.7 HK cents per share for the year ended 31 December 2024. The shareholders were provided with an option to receive the final dividend in form of scrip dividend. On 30 July 2024, 76,582,140 shares were issued at an issue price of HK$0.96 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme.

(b) On 1 August 2025, the board of directors declared an interim dividend of 2.9 HK cents per share for the six months ended 30 June 2025. The shareholders were provided with an option to receive the interim dividend in form of scrip dividend. On 10 October 2025, 66,476,454 shares were issued at an issue price of HK$1.14 per share to shareholders who elected to receive share in lieu of cash dividends pursuant to a scrip dividend scheme.

22. SHARE OPTIONS

The Company adopted a share option scheme (the "**Share Option Scheme**") in November 2018. Under the Share Option Scheme, the Company's directors may, at their sole discretion, grant options to any employee of the Group to subscribe for shares of the Company at the highest of (i) the closing price of shares of the Company as stated in the daily quotation sheet of the Stock Exchange on the day of the offer of grant; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding the day of the offer of the grant; and (iii) the nominal value of shares. A nominal consideration of HK$1 is payable on acceptance of the grant of an option.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not, in aggregate, exceed 10% of the shares in issue upon completion of the placing and the capitalisation issue of the shares of the Company, unless the Company obtains further approval from the shareholders.

The maximum number of shares to be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group must not, in aggregate, exceed 30% of the relevant shares or securities of the Company in issue from time to time.

22. SHARE OPTIONS (Continued)

Movements in the number of share options granted by the Company to the employees of the Group and their related weighted average exercise prices are as follows:

	2025		2024	
	Average exercise price per share option	**Number of options**	Average exercise price per share option	Number of options
As at 1 January	**HK$3.23**	**10,801,676**	HK$3.20	10,623,073
Granted	**HK$0.97**	**3,500,000**	HK$1.12	3,500,000
Forfeited	**HK$2.02**	**(248,028)**	HK$2.98	(1,624,607)
Lapsed	**HK$3.78**	**(1,930,468)**	HK$2.18	(1,696,790)
As at 31 December	**HK$2.06**	**12,123,180**	HK$2.72	10,801,676
Vested and exercisable at 31 December	**HK$4.76**	**2,210,180**	HK$3.78	1,930,468

During the year ended 31 December 2025, no option (2024: Nil) was exercised and a total of 1,930,468 options were lapsed due to expiration of the share options (2024: 1,696,790 options).

Share options outstanding at the end of the year after adjustments of the exercise prices and the number of share options as a result of the rights issue completed in June 2023 have the following expiry date and exercise prices:

Grant date	**Expiry date**	**Adjusted Exercise price**	**Number of options as at 31 December 2025**	**Remaining contractual life of options outstanding at end of period**
31 March 2022	31 March 2026	HK$4.76	2,210,180	0.25 years
1 June 2023	31 March 2027	HK$2.26	3,436,000	1.25 years
28 March 2024	31 March 2028	HK$1.12	3,006,000	2.25 years
31 March 2025	31 March 2029	HK$0.97	3,471,000	3.25 years
		Total	12,123,180	
Weighted average remaining contractual life of options outstanding at end of the year				1.89 years

22. SHARE OPTIONS (Continued)

Grant date	Expiry date	Adjusted Exercise price	Number of options as at 31 December 2024	Remaining contractual life of options outstanding at end of period
31 March 2021	31 March 2025	HK$3.78	1,930,468	0.25 years
31 March 2022	31 March 2026	HK$4.76	2,247,208	0.25 years
1 June 2023	31 March 2027	HK$2.26	3,518,000	1.25 years
28 March 2024	31 March 2028	HK$1.12	3,106,000	2.25 years
		Total	10,801,676	
Weighted average remaining contractual life of options outstanding at end of the year				1.97 years

Information in relation to the share options granted to the employees of the Group is as follows:

Date of grant	Number of share options granted *(Note 1)*	Exercise price *(HK$)*	Validity period	Expiry date
31 March 2021	2,480,000	3.78 *(Note 3)*	31 March 2021 to 31 March 2025	31 March 2025
31 March 2022	2,780,500	4.76 *(Note 3)*	31 March 2022 to 31 March 2026	31 March 2026
1 June 2023	4,000,000	2.26 *(Note 2)*	1 June 2023 to 31 March 2027	31 March 2027
28 March 2024	3,500,000	1.12 *(Note 2)*	28 March 2024 to 31 March 2028	31 March 2028
31 March 2025	3,500,000	0.97 *(Note 2)*	31 March 2025 to 31 March 2029	31 March 2029

Notes:

1. One third of the options will vest on each of the year-end date within the three years after the date of the grant of the share options.

2. The exercise prices of the share options are equal to the average closing price of the Company's share for the five trading days immediately preceding the respective dates of grant.

3. The exercise price of the share options is equal to the closing price of the Company's share on the date of grant.

22. SHARE OPTIONS (Continued)

The weighted average fair value of the share options granted during the year determined using the Black-Scholes valuation model, which was performed by an independent valuer, Greater China Appraisal Limited, was approximately HK$0.25 (2024: HK$0.32) per option. The significant inputs into the model are as follows:

	2025	2024
Share price, at the grant date (HK$)	**0.95**	1.11
Exercise price (HK$)	**0.97**	1.12
Volatility (%)	**49.04**	51.22
Dividend yield (%)	**5.26**	5.41
Expected share option life (years)	**3.50**	3.51
Annual risk-free interest rate (%)	**2.84**	3.40

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the previous year. See Note 9 for the total expenses recognised in the consolidated statement of profit or loss for share options granted to employees of the Group.

23. OTHER RESERVES

	Share premium RMB'000	Statutory reserve RMB'000 (Note (a))	Capital reserve RMB'000 (Note (b))	Safety reserve RMB'000 (Note (c))	Exchange reserve RMB'000	Share option reserve RMB'000	Total RMB'000
At 1 January 2025	5,845,075	942,474	(131,551)	35,247	(443,480)	3,787	6,251,552
Currency translation differences	–	–	–	–	(6,847)	–	(6,847)
Share of the other comprehensive income of investments accounted for equity method	–	–	–	–	17	–	17
Release of reserve upon disposal of a subsidiary	–	–	–	–	24,086	–	24,086
Appropriation to safety reserve	–	–	–	4,504	–	–	4,504
Appropriation to statutory reserve	–	101,990	–	–	–	–	101,990
Employees' share option scheme:							
- value of employee services *(Note 9)*	–	–	–	–	–	1,192	1,192
- release upon the lapse of share options	–	–	–	–	–	(1,836)	(1,836)
Issuance of shares in respect of scrip dividend of 2024 final dividend *(Note 21)*	66,707	–	–	–	–	–	66,707
Issuance of shares in respect of scrip dividend of 2025 interim dividend *(Note 21)*	68,778	–	–	–	–	–	68,778
Dividend:							
– 2024 final dividend *(Note 13)*	(207,398)	–	–	–	–	–	(207,398)
– 2025 interim dividend *(Note 13)*	(224,355)	–	–	–	–	–	(224,355)
Transfer of reserves upon disposal of a subsidiary	–	(109,818)	–	(2,099)	–	–	(111,917)
At 31 December 2025	5,548,807	934,646	(131,551)	37,652	(426,224)	3,143	5,966,473

23. OTHER RESERVES (Continued)

	Share premium *RMB'000*	Statutory reserve *RMB'000* *(Note (a))*	Capital reserve *RMB'000* *(Note (b))*	Safety reserve *RMB'000* *(Note (c))*	Exchange reserve *RMB'000*	Share option reserve *RMB'000*	Total *RMB'000*
At 1 January 2024	6,137,426	818,427	(132,967)	18,576	(327,596)	4,836	6,518,702
Currency translation differences	–	–	–	–	(115,931)	–	(115,931)
Share of the other comprehensive income of investments accounted for equity method	–	–	–	–	47	–	47
Appropriation to safety reserve	–	–	–	16,671	–	–	16,671
Appropriation to statutory reserve	–	124,047	–	–	–	–	124,047
Employees' share option scheme:							
- value of employee services *(Note 9)*	–	–	–	–	–	(440)	(440)
- release upon the lapse of share options	–	–	–	–	–	(609)	(609)
Issuance of shares in respect of scrip dividend of 2023 final dividend *(Note 21)*	6,129	–	–	–	–	–	6,129
Issuance of shares in respect of scrip dividend of 2024 interim dividend *(Note 21)*	77,991	–	–	–	–	–	77,991
Dividend:							
– 2023 final dividend *(Note 13)*	(198,721)	–	–	–	–	–	(198,721)
– 2024 interim dividend *(Note 13)*	(177,750)	–	–	–	–	–	(177,750)
Change in ownership interest in subsidiaries without change of control	–	–	1,416	–	–	–	1,416
At 31 December 2024	5,845,075	942,474	(131,551)	35,247	(443,480)	3,787	6,251,552

Notes:

(a) The PRC subsidiaries are required to allocate 10% of their net profits to the statutory reserve fund until such fund reaches 50% of the companies' registered capitals. The statutory reserve fund can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase registered capital of the companies, provided that such fund is maintained at a minimum of 25% of the companies' registered capitals.

During the year ended 31 December 2025, the boards of directors of the Company's PRC subsidiaries resolved to appropriate approximately RMB101,990,000 (2024: RMB124,047,000) from retained earnings to statutory reserve.

23. OTHER RESERVES (Continued)

Notes: (Continued)

(b) On 30 June 2015, Xinyi Solar transferred all 200 shares of Xinyi Energy (BVI) to the Company for a consideration of US$200 (equivalent to RMB1,000) and thereafter Xinyi Energy (BVI) has been wholly-owned by the Company. Since then, the Company has become the holding company of the Group. Upon the transfer of shares of Xinyi Energy (BVI), the assets and liabilities of Xinyi Energy (BVI) and its subsidiaries, with aggregate net carrying amount on the same day of HK$166,209,000 (equivalent to RMB132,967,000), were transferred to the Company from Xinyi Solar.

During the year ended 31 December 2024, an increase in equity attributable to owners of the Company, amounting to RMB1,416,000, was credited to the capital reserve in relation to the acquisition of 5% equity interests in Guangdong Jike New Energy Development Company Limited.

(c) Pursuant to the relevant PRC regulations, certain PRC subsidiaries are required to transfer production and maintenance funds at fixed rates based on revenue to a specific reserve account. The production and maintenance funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of production and maintenance funds utilised would be transferred from the specific reserve account to retained earnings.

24. ACCRUALS AND OTHER PAYABLES

	2025 *RMB'000*	2024 *RMB'000*
Payables for property, plant and equipment	**364,780**	418,509
Others *(Note (b))*	**81,455**	47,373
	446,235	465,882
Less: Non-current portion		
Retention payables for property, plant and equipment	**(13,078)**	(15,378)
Current portion	**433,157**	450,504

Notes:

(a) The carrying amounts of accruals and other payables are mainly denominated in RMB and approximate to their fair values.

(b) The balance mainly comprises accruals of professional fees, interest for bank borrowings and accrued staff costs.

25. BANK BORROWINGS

The bank borrowings are unsecured and repayable as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	**2,196,989**	2,541,250
Between 1 and 2 years	**1,251,138**	840,041
Between 2 and 5 years	**1,189,481**	1,696,935
More than 5 years	**2,659,640**	2,252,248
	7,297,248	7,330,474
Less: Non-current portion	**(5,100,259)**	(4,789,224)
Current portion	**2,196,989**	2,541,250

Notes:

(a) As at 31 December 2025 and 2024, corporate guarantee was provided by the Company and its subsidiaries for the bank borrowings.

(b) The Group has complied with the financial covenants of its borrowing facilities during the 2025 and 2024 reporting periods.

(c) As at 31 December 2025 and 2024, none of bank borrowings contained repayment on demand clause and was classified as current liabilities. These bank borrowings are repayable by instalments up to 2045 (2024: 2045).

(d) As at 31 December 2025 and 2024, the carrying amounts of the Group's bank borrowings are approximate to their fair values and denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
HK$	**53,970**	1,521,340
RMB	**7,243,278**	5,809,134
	7,297,248	7,330,474

(e) As at 31 December 2025 and 2024, majority of bank borrowings bore floating interest rates and were exposed to interest rate changes.

The effective interest rates per annum at reporting date were as follows:

	2025	2024
Bank borrowings	**2.53%**	3.50%

25. BANK BORROWINGS (Continued)

Accounting policy of borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

26. DEFERRED TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	2025	2024
	RMB'000	*RMB'000*
Deferred tax assets	**168,366**	278,633
Set-off of deferred income tax liabilities pursuant to set-off provisions	**(107,302)**	(218,660)
Net deferred income tax assets	**61,064**	59,973
Deferred tax liabilities	**(357,814)**	(480,854)
Set-off of deferred income tax assets pursuant to set-off provisions	**107,302**	218,660
Net deferred income tax liabilities	**(250,512)**	(262,194)

The net movements on the deferred income tax account are as follows:

	2025	2024
	RMB'000	*RMB'000*
At 1 January	**(202,221)**	(205,698)
Credited to the consolidated statement of profit or loss *(Note 11)*	**16,458**	3,476
Disposal of a subsidiary	**(3,684)**	–
Currency translation differences	**(1)**	1
At 31 December	**(189,448)**	(202,221)

26. DEFERRED TAX (Continued)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting balances within the same tax jurisdiction, are as follows:

	Lease liabilities		Temporary difference arising from trade receivables		Total	
	2025	2024	**2025**	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Deferred tax assets						
At 1 January	**252,505**	173,127	**26,128**	24,516	**278,633**	197,643
Credited/(charged) to the consolidated statement of profit or loss	**(100,193)**	79,378	**458**	1,612	**(99,735)**	80,990
Disposal of a subsidiary	**(9,768)**	–	**(764)**	–	**(10,532)**	–
At 31 December	**142,544**	252,505	**25,822**	26,128	**168,366**	278,633

	Fair value gains		Right-of-use-assets		Withholding tax		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Deferred tax liabilities								
At 1 January	**246,475**	257,103	**219,379**	145,255	**15,000**	983	**480,854**	403,341
Charged/(credited) to the consolidated statement of profit or loss	**(11,151)**	(10,628)	**(105,042)**	74,125	**–**	14,017	**(116,193)**	77,514
Disposal of a subsidiary	**–**	–	**(6,848)**	–	**–**	–	**(6,848)**	–
Currency translation differences	**–**	–	**1**	(1)	**–**	–	**1**	(1)
At 31 December	**235,324**	246,475	**107,490**	219,379	**15,000**	15,000	**357,814**	480,854

Withholding tax is levied on dividends declared to foreign investors by the foreign investment enterprises established in the PRC, in respect of earnings generated after 31 December 2007. The Group's subsidiaries in the PRC are held by intermediate holding companies incorporated in Hong Kong, which are subject to 5% withholding tax.

26. DEFERRED TAX (Continued)

As at 31 December 2025, deferred income tax liabilities of RMB425,602,000 (2024: RMB376,401,000) were not recognised for withholding tax that would be payable on the unremitted earnings of subsidiaries in the PRC, using a 5% (2024: 5%) withholding tax rate. Deferred income tax liability is not recognised where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. As at 31 December 2025, the related total unremitted earnings for which deferred withholding tax liabilities had not been recognised amounted to RMB8,512,049,000 (2024: RMB7,528,013,000).

Deferred tax assets are recognised for tax loss carrying-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2025, there was no significant unrecognised tax loss (2024: Nil).

27. DERECOGNITION OF A SUBSIDIARY

(a) Partial disposal of Solar Tianjin:

On 19 December 2025, the Group completed the disposal of 51% equity interests of Solar Tianjin to an independent third party, Tianjin Binhai Construction Investment New Energy Company Limited ("Tianjin Binhai CINE") (the "Disposal"). The Group's equity interests in Solar Tianjin decreased from 100% to 49% following the Disposal. The Group lost control in Solar Tianjin upon completion of the Disposal but retained the power to exercise significant influence over Solar Tianjin. Therefore, Solar Tianjin is regarded as an associate of the Company and is accounted for using the equity method.

	Notes	2025 *RMB'000*
Net assets disposed of:		
Property, plant and equipment	16	**676,130**
Right-of-use assets	17	**27,394**
Deferred tax assets	26	**3,684**
Trade receivables		**302,655**
Prepayments and other receivables		**1,040**
Bank balances		**29,578**
Other payables and accruals		**(5,763)**
Amount due to a related company		**(138,810)**
Tax payable		**(4,832)**
Lease liabilities	17	**(38,063)**
Net assets derecognised upon completion of the Disposal		**853,013**
Release of exchange reserve upon disposal		**24,086**
Recognition of investments accounted for using the equity method		**(494,410)**
Considerations to be settled in cash		**(514,590)**
Gain on partial disposal		**(131,901)**

(b) Net proceeds received from disposal:

	RMB'000
Considerations to be settled in cash	**514,590**
Bank balances disposed	**(29,578)**
Net proceeds received	**485,012**

28. CASH FLOW INFORMATION

(a) Reconciliation of profit before income tax to cash generated from operations:

	2025 RMB'000	2024 RMB'000
Profit before income tax	**1,311,496**	1,167,722
Adjustments for:		
Interest income *(Note 10)*	**(3,090)**	(2,602)
Interest expense *(Note 10)*	**277,483**	364,775
Depreciation charge of property, plant and equipment *(Note 16)*	**729,424**	659,980
Depreciation charge of right-of-use assets *(Note 17)*	**50,400**	39,442
Share options granted to employees *(Note 8)*	**1,192**	(440)
Impairment loss of goodwill *(Note 6)*	**49,945**	37,991
Loss on disposal of property, plant and equipment *(Note 6)*	**563**	992
Net fair value gains on financial assets at FVPL *(Note 6)*	**(3,555)**	(4,888)
Impairment losses on trade receivables	**1,833**	6,449
Share of net (profits)/loss of investments accounted for using the equity method *(Note 15)*	**(57)**	91
Gain on disposal of a subsidiary *(Note 6)*	**(131,901)**	–
Gain on lease of modification	**(433)**	–
	2,283,300	2,269,512
Changes in working capital:		
Increase in trade and other receivables	**(220,169)**	(655,861)
Increase in accruals and other payables	**74,080**	28,830
Decrease/(increase) in amounts due from related companies	**20,919**	(427)
(Increase)/decrease in restricted cash	**(5,486)**	7,837
Cash generated from operations	**2,152,644**	1,649,891

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2025 RMB'000	2024 RMB'000
Net book amount *(Note 16)*	**7,041**	1,754
Loss on disposal of property, plant and equipment *(Note 6)*	**(563)**	(992)
Proceeds from disposal of property, plant and equipment	**6,478**	762

28. CASH FLOW INFORMATION (Continued)

(c) Major non-cash transactions

	2025 RMB'000	2024 RMB'000
Acquisition of right-of-use assets	**68,451**	305,305
Plant and equipment purchased through increase in other payables	**14,510**	50,909
Issuance of shares in lieu of dividends	**136,796**	85,205

(d) Analysis of changes in financing activities during the year

	Liabilities from financing activities		
	Bank borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
As at 1 January 2024	(5,715,530)	(698,814)	(6,414,344)
Cash flows	(1,478,208)	73,005	(1,405,203)
Currency translation differences	(126,928)	(5)	(126,933)
Interest on lease liabilities	–	(45,318)	(45,318)
Inception of leases	–	(305,305)	(305,305)
Other non-cash movements	(9,808)	–	(9,808)
As at 31 December 2024	(7,330,474)	(976,437)	(8,306,911)
As at 1 January 2025	**(7,330,474)**	**(976,437)**	**(8,306,911)**
Cash flows	**33,226**	**70,923**	**104,149**
Currency translation differences	**–**	**3**	**3**
Interest on lease liabilities	**–**	**(52,313)**	**(52,313)**
Inception of leases	**–**	**(68,451)**	**(68,451)**
Gain on lease of modification	**–**	**29,503**	**29,503**
Purchases of right-of-use assets	**–**	**(32,908)**	**(32,908)**
Disposal of a subsidiary	**–**	**38,063**	**38,063**
As at 31 December 2025	**(7,297,248)**	**(991,617)**	**(8,288,865)**

Note:

The other non-cash movements are mainly the reclassification of non-current borrowings that will mature within 1 year.

28. CASH FLOW INFORMATION (Continued)

(e) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 **RMB'000**	2024 RMB'000
Within financing activities	**70,923**	73,005

29. BANKING FACILITIES

The banking facilities made available to subsidiaries of the Group are as follows:

	2025 **RMB'000**	2024 RMB'000
Banking facilities granted to subsidiaries of the Company without securities:		
– Available facilities	**12,489,240**	11,464,926
– Facilities utilised	**(8,758,734)**	(7,342,475)
Unutilised facilities	**3,730,506**	4,122,451

30. RELATED PARTY TRANSACTIONS

As at 31 December 2025, 50.75% (2024: 51.62%) of the Company's shares are held by Xinyi Solar and its subsidiary. Dr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai, *J.P.*, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. SZE Nang Sze, Mr. NG Ngan Ho, and Mr. LI Ching Leung (together, the "**Equity Investors**") in aggregate owns 19.04% (2024: 18.52%) of the Company's shares. 5.73% (2024: 5.54%) of the shares are held by Xinyi Glass Holdings Limited ("**Xinyi Glass**") and its subsidiaries, and the remaining 24.48% (2024: 24.32%) of the shares are widely held.

The Company's controlling shareholders include Xinyi Solar and its subsidiary and the Equity Investors. The Equity Investors are also the controlling shareholders of Xinyi Solar, holding 26.83% (2024: 26.50%) of the shares of Xinyi Solar in issue as at 31 December 2025.

30. RELATED PARTY TRANSACTIONS (Continued)

(a) Related party transactions

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the year.

	2025 RMB'000	2024 RMB'000
One-off transactions		
Consideration paid for acquisition of subsidiaries from fellow subsidiaries	**80,132**	676,451
Consideration paid for acquisition of 82% equity interests in a subsidiary from Xinyi Energy Smart Wuhu	**50,840**	–
Consideration paid for acquisition of 18% equity interest in a subsidiary from Anhui Xinyi Power Source	**11,160**	–
Continuing transactions		
Solar farm operation and management services fees received from subsidiaries of Xinyi Solar *(Note)*	**8,930**	11,485
Sales of green electricity certificate to Xinyi Solar	**1,396**	–
Interest income on loan to an investment accounted for using the equity method	**653**	–

Note:

The transactions constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules. The transactions were conducted at mutually agreed prices and terms.

30. RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

	2025 RMB'000	2024 RMB'000
Due from related parties:		
due from fellow subsidiaries		
– Chaohu Jindao Photovoltaic Power Generation Company Limited ("**Chaohu Jindao**")*	–	24
– Hepu County Xinyi Renewable Energy Limited*	301	71
– Hepu County Xinyi Solar Limited*	94	251
– Kaiping City Ruide Renewable Energy Limited*	–	49
– Taonan Runhe Risheng Photovoltaic Agricultural Development Company Limited*	26	61
– Wuhu Xinbai Renewable Energy Limited* ("**Wuhu Xinbai**")	–	60
– Xinyi Photovoltaic (Qujing) Limited*	–	94
– Xinyi Solar (Bozhou) Limited ("**Xinyi Solar (Bozhou)**") *	103	89
– Xinyi Solar (Jinzhai) Limited*	336	367
– Xinyi Solar (Wangjiang) Limited*	252	210
– Xinyun Renewable Energy (Yunfu) Limited *	–	60
	1,112	1,336
due from investments accounted for using the equity method		
– Parkland Energy	15,532	2,235
– Solar Tianjin	138,810	–
	154,342	2,235
	155,454	3,571

30. RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

	2025 *RMB'000*	2024 *RMB'000*
Due to related parties:		
due to fellow subsidiaries		
– Chaohu Jindao*	**(26)**	–
– Wuhu Xinbai*	**(17)**	–
– Rise Trend*	**(1,484)**	–
– Grand Trend*	**(2,992)**	–
– Sky Jumbo*	**(3,570)**	–
– Sun Wisdom*	**(83,453)**	(85,912)
– Anhui Xinhao New Energy Company Limited*	**(806)**	–
– Xinyi Energy Smart Wuhu^	**(5,084)**	–
– Anhui Xinyi Power Source@	**(1,116)**	–
– Auhui Xinyi New Material Technology Company Limited@	**(14,044)**	–
	(112,592)	(85,912)
due to non-controlling shareholders of a subsidiary of the Group		
– STI Co.,Ltd	**(4,996)**	–
– PINETREE CO., LTD	**(1,655)**	–
	(6,651)	–
	(119,243)	(85,912)

* Companies under control of Xinyi Solar

^ Companies under control of Xinyi Glass

@ Companies under control of Equity Investors

The amounts due from and due to fellow subsidiaries are unsecured, interest free and repayable on demand. The amounts approximate to their fair values and are denominated in RMB.

The amount due from Parkland Energy bears interest rate of 6.63%, unsecured and repayable on demand. The amount approximate to its fair value and is denominated in MYR. The remaining balance due from investment accounted for using the equity method is unsecured and repayable on demand, and the amount approximate to its fair value and is denominated in MYR.

The amounts due to non-controlling shareholders of a subsidiary of the Group are unsecured, interest free and repayable on demand. The amounts approximate to their fair values and are denominated in JPY.

30. RELATED PARTY TRANSACTIONS (Continued)

(c) Leases

	Notes	**2025** *RMB'000*	2024 *RMB'000*
Interest expense on lease liabilities in relation to office area recognised by the Group as a lessee to related parties:			
– Cheer Wise Investment Limited ("**Cheer Wise**")	(i), (iii)	**5**	6
– Xinyi Energy Smart (Wuhu) Company Limited ("**Xinyi Energy Smart**")	(i), (iv)	**49**	94
– Xinde Gong Yuan (Wuhu) Limited ("**Xinde (Wuhu)**")	(ii), (v)	**37**	73
		91	173

Notes:

(i) Both companies under control of Xinyi Glass, a major shareholder of Xinyi Solar.

(ii) The company under the control of Equity Investors.

(iii) Approximate 30 square meter ("**sq.m.**") office area in Hong Kong was provided by Cheer Wise for the Group's operations with rental mutually agreed.

(iv) Approximate 1,500 sq.m. office area in Wuhu has been provided by Xinyi Energy Smart for the Group's occupations with rental mutually agreed.

(v) Approximate 980 mu land area in Wuhu has been provided by Xinde (Wuhu) for the Group's occupations with rental mutually agreed.

(d) Key management compensation

Key management includes executive and non-executive directors as well as senior management.

The compensation paid or payable to key management for employee services is shown below:

	2025 *RMB'000*	2024 *RMB'000*
Salaries, allowances and benefits in kind	**8,412**	10,933
Retirement benefit scheme contributions	**82**	82
Share options granted	**254**	149
	8,748	11,164

31. FINANCIAL INSTRUMENTS BY CATEGORY

	2025 *RMB'000*	2024 *RMB'000*
Financial assets at amortised cost		
Trade and other receivables	**4,129,736**	4,247,742
Amounts due from related companies	**155,454**	3,571
Restricted cash	**8,486**	3,000
Cash and cash equivalents	**950,638**	354,238
	5,244,314	4,608,551
Financial liabilities at amortised cost		
Accruals and other payables excluding accruals of staff costs and other taxes payables	**427,711**	450,744
Bank borrowings	**7,297,248**	7,330,474
Amounts due to related companies	**119,243**	85,912
Lease liabilities	**991,617**	976,437
	8,835,819	8,843,567

32. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

	Notes	2025 *RMB'000*	2024 *RMB'000*
ASSETS			
Non-current assets			
Investments in subsidiaries		**4,202,118**	4,411,018
Current assets			
Prepayments		**755**	118
Amounts due from subsidiaries		**4,543,653**	4,742,301
Cash and cash equivalents		**4,833**	689
Total current assets		**4,549,241**	4,743,108
Total assets		**8,751,359**	9,154,126
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	21	**73,808**	72,497
Share premium	(a)	**5,548,807**	5,845,075
Share option reserve	(a)	**3,143**	3,787
Exchange reserve	(a)	**361,091**	654,234
Accumulated losses	(a)	**(120,909)**	(140,175)
Total equity		**5,865,940**	6,435,418
LIABILITIES			
Current liabilities			
Accruals and other payables		**3,778**	3,373
Amounts due to subsidiaries		**2,881,641**	2,715,335
Total current liabilities		**2,885,419**	2,718,708
Total equity and liabilities		**8,751,359**	9,154,126

The statement of financial position of the Company was approved by the Board of Directors on 27 February 2026 and was signed on its behalf.

LEE Shing Put, B.B.S.
Chairman and Executive Director

TUNG Fong Ngai
Chief Executive Officer and Executive Director

32. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY (Continued)

Note:

(a) Movements of share premium, share option reserve and accumulated losses of the Company

	Share premium *RMB'000*	Share option reserve *RMB'000*	Exchange reserve *RMB'000*	Accumulated losses *RMB'000*
At 1 January 2024	6,137,426	4,836	451,315	(393,117)
Profit for the year	–	–	–	252,333
Currency translation difference	–	–	202,919	–
Employees' share option scheme:				
– value of employee services *(Note 8)*	–	(440)	–	–
– release upon the lapse of share options	–	(609)	–	609
Issuance of shares in respect of scrip dividend of 2023 final dividend *(Note 21)*	6,129	–	–	–
Issuance of shares in respect of scrip dividend of 2024 interim dividend *(Note 21)*	77,991	–	–	–
Dividend:				
– 2023 final dividend *(Note 13)*	(198,721)	–	–	–
– 2024 interim dividend *(Note 13)*	(177,750)	–	–	–
At 31 December 2024	5,845,075	3,787	654,234	(140,175)
At 1 January 2025	**5,845,075**	**3,787**	**654,234**	**(140,175)**
Profit for the year	**–**	**–**	**–**	**17,430**
Currency translation difference	**–**	**–**	**(293,143)**	**–**
Employees' share option scheme:				
– value of employee services *(Note 8)*	**–**	**1,192**	**–**	**–**
– release upon the lapse of share options	**–**	**(1,836)**	**–**	**1,836**
Issuance of shares in respect of scrip dividend of 2024 final dividend *(Note 21)*	**66,707**	**–**	**–**	**–**
Issuance of shares in respect of scrip dividend of 2025 interim dividend *(Note 21)*	**68,778**	**–**	**–**	**–**
Dividend:				
– 2024 final dividend *(Note 13)*	**(207,398)**	**–**	**–**	**–**
– 2025 interim dividend *(Note 13)*	**(224,355)**	**–**	**–**	**–**
At 31 December 2025	**5,548,807**	**3,143**	**361,091**	**(120,909)**

33. CONTINGENCIES

The Company and the Group did not have any significant contingent liabilities as at 31 December 2025 (2024: Nil).

34. EVENTS AFTER REPORTING PERIOD

No significant event has taken place subsequent to 31 December 2025 and up to the date of this annual report.

35. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

This note provides a list of other potentially material accounting policies adopted in the preparation of these consolidated financial statements. These consolidated policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of Xinyi Energy Holdings Limited and its subsidiaries.

35.1 Consolidation

35.1.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 35.2).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

35.1.2 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

35. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (continued)

35.1 Consolidation (continued)

35.1.2 Changes in ownership interests (continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the consolidated statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated statement of profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards.

35.2 Business combinations

The acquisition method of accounting is used to account for all business combinations including business combination under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated statement of profit or loss as a bargain purchase.

35. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (continued)

35.2 Business combinations (Continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated statement of profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated statement of profit or loss.

35.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

35.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in HK$, which is the Company's functional and the Group's presentation currency. The financial statements of the Group's subsidiaries incorporated in the PRC are prepared in RMB, which is the functional currency of these subsidiaries.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

35. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (continued)

35.4 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Foreign exchange gains and losses are presented in the consolidated statement of profit or loss within "other gains/(losses), net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVPL are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(c) Group companies

The results and statement of financial position of all the foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

35. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (continued)

35.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and subsequent accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Construction in progress represents solar and wind farm and buildings on which construction work has not been completed and which, upon completion, management intends to hold for generation of electricity income purposes. Construction in progress is carried at cost which includes development and construction expenditures incurred and interest and other direct costs attributable to the development less any accumulated impairment losses. On completion, construction in progress is transferred to appropriate categories of property, plant and equipment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains/(losses), net" in the consolidated statement of profit or loss.

35.6 Impairment of non-financial assets

The Group's accounting policy for impairment of goodwill is explained in Note 18. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's FVLCOD and VIU. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

35. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (continued)

35.7 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

35. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (continued)

35.7 Financial assets (Continued)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial assets not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other gains/(losses), net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in "Other gains/(losses), net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other gains/(losses), net" and impairment expenses are presented as separate line item in the consolidated statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "Other gains/(losses), net" in the period in which it arises.

(d) Cash flows

The Group reports its investing cash flows arising from financial assets on a gross basis, except for cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short.

35. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (continued)

35.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

35.9 Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3 details how the Group determines whether there has been a significant increase in credit risk.

The Group's accounting policy for impairment of trade and other receivables is explained in Note 19. Amounts due from related parties, restricted cash and cash and cash equivalents are measured at either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of receivables has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

35.10 Cash and cash equivalents and restricted cash

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank deposits which are restricted to use are included in "restricted cash" and are excluded from cash and cash equivalents in the consolidated statement of cash flows.

35.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

35.12 Accruals and other payables

Accruals and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

35. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (continued)

35.13 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in consolidated statement of profit or loss in the year in which they are incurred.

35.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

35.15 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

35. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (continued)

35.15 Current and deferred income tax (Continued)

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

35. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (continued)

35.16 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

(b) Pension obligations

The Group participates in a number of defined contribution plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and by the relevant group companies. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(d) Bonus plans

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

35. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (continued)

35.17 Share-based payments

(a) Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration of equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specific period of time).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the entities revise their estimates of the number of options that are expected to vest based on the non-market marketing performance and service conditions. It recognised the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction cost are credited to share capital (and share premium).

(b) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

35. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (continued)

35.18 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance for each period.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and any lease payments made at or before the commencement date.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

35.19 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

35. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (continued)

35.20 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets as part of "Other gains/(losses), net".

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated statement of profit or loss. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, details are disclosed in Note 10.

Interest income is recognised on a time-proportion basis using the effective interest method. When a financial asset at amortised cost is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the financial asset, and continues unwinding the discount as interest income. Interest income on impaired financial assets at amortised cost are recognised using the original effective interest rate.

35.21 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

FINANCIAL SUMMARY

	Year ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Result					
Revenue	**2,453,308**	2,440,447	2,280,821	1,970,852	1,908,080
Cost of sales	**(937,248)**	(840,717)	(732,440)	(583,975)	(512,702)
Gross profit	**1,516,060**	1,599,730	1,548,381	1,386,877	1,395,378
Profit before income tax	**1,311,496**	1,167,722	1,175,075	1,069,075	1,210,471
Income tax expense	**(301,875)**	(376,220)	(275,229)	(253,657)	(184,066)
Profit for the year	**1,009,621**	791,502	899,846	815,418	1,026,405
Profit attributable to:					
– the equity holders of the company	**1,010,712**	790,851	898,292	813,234	1,024,304
– non-controlling interest	**(1,091)**	651	1,554	2,184	2,101
	1,009,621	790,502	899,846	815,418	1,026,405

	As at 31 December				
	2025	2024	2023	2022	2021
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Assets and Liabilities					
Total assets	**22,416,225**	21,668,501	19,263,243	17,844,199	17,334,714
Total liabilities	**9,177,928**	9,164,016	7,133,624	7,318,250	7,065,289
	13,238,297	12,504,485	12,129,619	10,525,949	10,269,425
Equity					
Equity attributable to equity holders of the Company	**13,238,688**	12,504,485	12,119,808	10,517,692	10,263,352
Non-controlling interests	**(391)**	–	9,811	8,257	6,073
	13,238,297	12,504,485	12,129,619	10,525,949	10,269,425