

JTPV

海南鈞達新能源科技股份有限公司
Hainan Drinda New Energy Technology Co., Ltd.

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

Stock Code : 02865

2025
ANNUAL REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lu Xuyang (陸徐揚) (*Chairperson*)
(appointed on July 31, 2025)
Mr. Zhang Manliang (張滿良)
Mr. Zheng Hongwei (鄭洪偉)
Ms. Lu Xiaohong (陸小紅) (*resigned on July 31, 2025*)
Mr. Xu Xiaoping (徐曉平) (*resigned on July 31, 2025*)
Ms. Zheng Tong (鄭彤) (*resigned on July 31, 2025*)

Non-executive Directors

Mr. Xu Xiaoping (徐曉平) (*appointed on July 31, 2025*)
Mr. Xu Yong (徐勇)

Employee Representative Director

Ms. Zheng Hong (鄭虹) (*appointed on July 31, 2025*)

Independent non-executive Directors

Dr. Shen Wenzhong (沈文忠)
Dr. Mao Xiaoying (茆曉穎)
Mr. Ma Shuli (馬樹立)
Mr. Zhang Liang (張亮)

AUDIT COMMITTEE

Dr. Mao Xiaoying (茆曉穎) (*Chairperson*)
Mr. Xu Yong (徐勇)
Mr. Ma Shuli (馬樹立)

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Ma Shuli (馬樹立) (*Chairperson*)
Mr. Zhang Liang (張亮)
(appointed as a member on July 31, 2025)
Mr. Zheng Hongwei (鄭洪偉)
Dr. Mao Xiaoying (茆曉穎)
(ceased to be a member on July 31, 2025)

NOMINATION COMMITTEE

Dr. Shen Wenzhong (沈文忠) (*Chairperson*)
Mr. Zheng Hongwei (鄭洪偉)
Dr. Mao Xiaoying (茆曉穎)
(appointed as a member on July 31, 2025)
Mr. Zhang Liang (張亮)
(ceased to be a member on July 31, 2025)

STRATEGY COMMITTEE

Mr. Lu Xuyang (陸徐揚) (*Chairperson*)
(appointed as a member and the chairperson on July 31, 2025)
Mr. Zhang Manliang (張滿良)
Dr. Shen Wenzhong (沈文忠)
Ms. Lu Xiaohong (陸小紅)
(ceased to be a member and the chairperson on July 31, 2025)

ESG COMMITTEE

Mr. Zhang Manliang (張滿良) (*Chairperson*)
Mr. Zheng Hongwei (鄭洪偉)
Ms. Zheng Hong (鄭虹)
(appointed as a member on July 31, 2025)
Ms. Zheng Tong (鄭彤)
(ceased to be a member on July 31, 2025)

JOINT COMPANY SECRETARIES

Ms. Zheng Tong (鄭彤)
Ms. Yu Wing Sze (余詠詩) (ACG, HKACG)

AUTHORIZED REPRESENTATIVES

Ms. Zheng Tong (鄭彤)
Ms. Yu Wing Sze (余詠詩) (ACG, HKACG)

HONG KONG LEGAL ADVISOR

Han Kun Law Offices LLP
Rooms 4301-10, 43/F
Gloucester Tower, The Landmark
15 Queen's Road Central
Hong Kong

PRC LEGAL ADVISOR

Tian Yuan Law Firm
Unit 509, Tower A
Corporate Square
35 Financial Street
Xicheng District
Beijing
PRC

OVERSEAS AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway
Hong Kong

CORPORATE INFORMATION

DOMESTIC AUDITOR

Zhonghui Certified Public Accountants
(Special General Partnership)
6th Floor, Tower A
UDC Times Building
No. 8 Xinye Road
Qianjiang New City
Hangzhou
Zhejiang
PRC

COMPLIANCE ADVISOR

Somerley Capital Limited
20th Floor, China Building
29 Queen's Road Central
Hong Kong

HONG KONG SHARE REGISTRAR

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

REGISTERED OFFICE

Hainan Drinda Building
Haikou Free Trade Zone
No. 168 Nanhai Avenue
Haikou
Hainan
PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

15/F, GCL Plaza
99 Si'an Street
Suzhou Industrial Park
Suzhou
Jiangsu
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

PRINCIPAL BANKS

Bank of China, Tianjin Dagang Branch
China Merchants Bank, Beijing Lize Financial Business
District Branch

COMPANY'S WEBSITE

www.jjetaisolar.com

STOCK CODE

2865

CORPORATE PROFILE

Hainan Drinda New Energy Technology Co., Ltd. (海南鈞達新能源科技股份有限公司) (formerly known as Hainan Drinda Automotive Trim Co., Ltd. (海南鈞達汽車飾件股份有限公司)) was established on April 3, 2003. It was dually listed on the Shenzhen Stock Exchange (stock code: 002865.SZ) and the Main Board of the Hong Kong Stock Exchange (stock code: 02865.HK) on April 25, 2017 and May 8, 2025, respectively.

The Company is principally engaged in the R&D, production and sales of PV cells, with a focus on the new-generation N-type solar cells, the product performance of which has reached internationally advanced standards. With Chuzhou and Huai'an as its core production bases, the Company possesses more than 40 GW of PV cell capacity per year. As a leading enterprise in the industry, the Company has built solid competitiveness by continuous R&D innovation capabilities, large-scale production capacity and a well-established overseas market presence.

With years of intensive PV industry cultivation, the Company has consistently focused on the R&D of core PV cell technologies. Adhering to its corporate mission of "Focusing on Solar Energy, Leading the Energy Revolution, and Building a World-class Photovoltaic Technology Company", the Company constantly increases its R&D investments to maintain technological leadership and persistently facilitates the adoption and application of solar clean energy globally.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

I. PRINCIPAL BUSINESS THE COMPANY ENGAGED IN DURING THE REPORTING PERIOD

The Company is principally engaged in the R&D, production and sales of PV cells, with a focus on the new-generation N-type solar cells, the product performance of which has reached internationally advanced standards. As a leading enterprise in the PV cell industry, the Company has built solid market competitiveness by leveraging its core strengths, including continuous R&D innovation capabilities, large-scale production capacity and a well-established overseas market presence. With over a decade of intensive industry cultivation, the Company has consistently focused on the R&D of core PV cell technologies. Adhering to its corporate mission of “Focusing on Solar Energy, Leading the Energy Revolution, and Building a World-class Photovoltaic Technology Company”, the Company constantly increases its R&D investments to maintain technological leadership and persistently facilitates the development and application of solar clean energy globally.

The production and operation models of the Company are as follows:

1. Production Model

The Company’s production model is primarily based on independent R&D and in-house production. Guided by market demand, it has established a comprehensive production management mechanism. The specific implementation process is as follows: based on orders provided by the sales department or market demand forecasts, the Planning and Material Control Department formulates annual and monthly production plans, taking into account the Company’s production capacity and workforce conditions. The Manufacturing Department then formulates and implements specific production tasks based on the approved production plans, order status and inventory levels. The Quality Control Department is responsible for supervising and inspecting product quality, as well as handling related quality after-sales matters.

2. Procurement Model

The Company’s procurement model mainly involves procurement based on customer orders, supplemented by selective advance procurement and stockpiling based on thorough market research. The Company’s Procurement Department is responsible for coordinating and managing the Company’s procurement activities, including the preparation of procurement plans, supplier development and management, procurement execution, contract/order management, order fulfillment, logistics transportation, and payment management. The specific implementation process is as follows: the Planning and Material Control Department prepares a procurement requisition list based on order status and raw material inventory levels, and submits it to the Procurement Department. Based on this requisition list and market conditions, the Procurement Department selects suppliers and signs procurement contracts. After contracts are signed, the Procurement Department is responsible for real-time follow-up on procurement information, tracking order delivery, and handling payment settlements. Through years of business accumulation, the Company has established a qualified supplier list for various types of raw materials.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Sales, Pricing and Settlement Models

(1) Sales Model

The Company primarily adopts a self-production and self-sales model. Under this model, the Company procures raw materials and produces and sells PV cells according to the requirements of contract orders. The Company has a dedicated sales department responsible for sales activities, placing high importance on deepening customer service and conveying the value of its PV cell products. The sales department is also responsible for collecting, analyzing and providing feedback on market information, customer development and evaluation, sales contract execution and management, control of sales collection risks, customer relationship maintenance, and customer satisfaction surveys.

(2) Settlement Model

The Company's settlement method with its sales customers is payment before delivery. The Company enjoys healthy operating cash flow, and settlements are primarily in the form of bills.

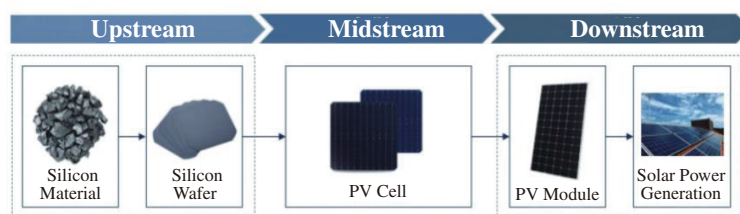
(3) Pricing Model

Market prices in the PV cell industry are transparent, with prices for products of similar performance being relatively close. Product prices are generally set with reference to the prevailing market sales prices of mainstream manufacturers for the month.

II. INDUSTRY ENVIRONMENT DURING THE REPORTING PERIOD

(I) Our Industry

The PV industry chain encompasses the core aspects in silicon material, ingot casting (crystal pulling), wafer slicing, PV cell, cell components, and application system to name a few. The Company focuses its business on the R&D, production, and sale of PV cells. It sources silicon wafers from upstream suppliers, processes them into PV cells, and sells them to downstream module manufacturers. These manufacturers interconnect and encapsulate the cells into PV modules for end-user applications.



PV cells are the core technological component of the PV industry chain. This is primarily due to the fact that PV cells conversion efficiency determines the conversion efficiency of PV modules, thereby affecting the electricity output from solar power generation and hence investment returns. In recent years, the constant advancements in PV technology have continuously elevated cell conversion efficiency, driving down the costs of PV electricity. Globally speaking, solar power generation has become among the lowest-cost sources of electricity generation. Against the backdrop of global energy transition, the technological upgrading of PV cells constitutes not only the core driver for PV industry development but also the key for sustained reduction in PV electricity costs. As such, the PV cell segment is gaining increasing significance.

(II) Industry Developments

In recent years, the continuous improvements in solar power generation efficiency and sustained reductions in generation costs have stimulated the persistent high growth in PV demand globally. As a representative competitive industry in China, the PV industry has long been maintaining a positive development trajectory. Leveraging comprehensive strengths in technologies, talents, and industry chain integration, the PRC PV companies continue to maintain their leading position in the global PV competition. Simultaneously, constrained by the continuous expansion across the industry chain driven by previous high global PV demand growth, the PV industry has experienced periodic structural mismatching, intensified competition across the chain, and accelerated elimination of outdated production capacity. In 2025, escalating international trade barriers and the push for overseas module localization have widened the gap in cell production capacity, prompting domestic enterprises to adjust their development strategies and accelerating the pace of high-quality transformation of the global PV industry. Specifically:

1. *Solar power generation costs continue to decline, while solar demand maintains sustained robust growth*

Solar power generation has become one of the most cost-competitive electricity generation sources globally. In 2025, continuous technological iteration in PV technology drove steady efficiency improvements, and the scaling effects across the industry chain became more pronounced, leading to further declines in solar power generation costs and directly fueling the rapid growth in global PV installation demand. Concurrently, the rising penetration of new energy vehicles, the accelerated construction of AI computing infrastructure, and the large-scale emergence of the energy storage industry collectively generated substantial new electricity demand, positioning PV as a core supply source in the clean energy system. Furthermore, profound adjustments in the international energy landscape and fluctuating upward trends in traditional fossil fuel prices have reinforced the global strategic dependence on green and low-carbon energy, providing solid support for PV demand. The domestic market demonstrated strong performance with steadily increasing installation scale. According to data from the National Energy Administration, newly installed PV capacity in China reached 316.57 GW in 2025, a year-on-year increase of 14%, and cumulative installed capacity reached 1.2 billion kW by year-end, a year-on-year increase of 35%. Overseas markets also continued to have parallel expand, with key regions showing healthy installation growth. According to the International Energy Agency (IEA) forecast, to meet the 1.5°C temperature control target under The Paris Agreement, a global clean energy capacity gap of 5,500 GW needs to be bridged by 2030, with 80% of this shortage projected to derive from solar energy. Globally, maintaining annual additions in PV installations of 500 GW to 700 GW remains essential, underpinning strong certainty for sustained demand growth.

MANAGEMENT DISCUSSION AND ANALYSIS

2. *China's global leadership in PV technologies is facilitating high-quality development through continuous innovation*

As a major nation in new energy, China has positioned its commitment in meeting the “dual carbon” strategic objectives and practicing green development initiatives over the years, cultivating the world's largest PV market. China has sustained its position as the global leader in annual PV installations additions for 13 consecutive years, with cumulative installed capacity excelling the world, becoming the core driving force for global PV industry development. Relying on long-term talent accumulation, technological expertise and a comprehensive industry chain support system, domestic PV companies possess significant global competitiveness, and the PV industry has become one of China's most internationally competitive industries. China's PV industry has transitioned from an extensive growth development stage fully into an innovation-driven development phase centered on high-quality advancement. In the new round of industry competition, Chinese PV companies are focusing more on core technology advancement and product quality enhancement, continuing to lead global technological upgrades across the PV industry. In 2025, the pace of industry technology upgrades accelerated further, with the synergistic effect between core technological breakthroughs and industrial implementation becoming prominent. Multiple domestic research institutions repeatedly broke cell efficiency records, the penetration rate of N-type technology in mass production exceeded 90%, and TOPCon cells became mainstream, further consolidating the global technology leadership position of China's PV industry.

3. *Localization initiatives for overseas PV modules are catalysing the surging demand for PV cells*

PV electricity has become a significant source of energy in major global economies, with sustained growth momentum in overseas PV demand. Apart from the established new energy markets such as Europe and North America, emerging economies including the Middle East, Africa, and India are developing self-sustaining value chains with continuous robust expansion momentum, injecting new impetus into global PV industry growth. Simultaneously, countries worldwide, driven by considerations of energy security and economic development, are accelerating the construction of domestic PV industry chains and expanding module production capacity. However, constrained by significant technological barriers and demanding requirements for R&D capabilities and specialized talents, overseas PV cell manufacturing capacity remains insufficient. This constitutes a primary inhibiting factor in establishing and scaling localized PV industry chains internationally, also creating a significant gap in overseas cell production capacity. In 2025, China's PV cell exports reached 113 GW, with export growth rates far exceeding those of PV modules. Domestic cell manufacturers can seize this opportunity. On one hand, they can serve global module customers by exporting cell products, driving sustained growth in overseas sales. On the other hand, by establishing advanced overseas cell production capacity, they can integrate into local industrial chains.

4. *Industry overcapacity rationalization cycle is entering its latter stage, with policy guidance driving high-quality industry transformation*

Constrained by the industry chain expansion driven by previous high global PV demand growth, China's PV industry entered an overcapacity rationalization cycle starting from the second half of 2023. After nearly two years of market-driven consolidation, numerous small and medium-sized enterprises with sub-optimal competitiveness have ceased operations and withdrawn from the market. Over 40 companies have undergone either withdrawal, bankruptcy, or merger and reorganization. The capacity rationalization is now entering its final stage, with supply-demand relationships gradually moving towards equilibrium. In 2025, the supply-side reform in the PV industry deepened continuously. Multiple government departments introduced policies to curb disruptive low-price competition through market-based and law-based means, promote the exit of outdated production capacities, and guide the industry towards high-quality development. Against this backdrop, prices across the PV industrial chain achieved rational recovery, and profit margins gradually improved. Following this adjustment, industry concentration is poised to accelerate, thereby refining the competitive landscape. Mainstream enterprises in the PV industry are positioned to benefit from technological edge and industry-wide consolidation, achieving profit recovery and sustained growth.

5. *High-quality development as the core driver, with application scenarios continuously expanding*

The Ministry of Industry and Information Technology has explicitly stated that the "15th Five-Year Plan" period will promote the intelligent, green, and integrated development of the manufacturing industry, charting the course for the PV sector. Against the backdrop of deepening global energy transition, PV, as the most economical form of clean energy power generation, will see its future growth momentum focused on the expansion of application scenarios and cross-industry integration. Going forward, the PV industry will take integrated development as its core, deepening synergy with various industries and broadening application boundaries. Key focus areas include integrated development with emerging fields, exploring high-end application scenarios for PV technology. It will also link up with green industries like hydrogen production, ammonia, and methanol, enriching non-electricity application scenarios. Simultaneously, leveraging the platforms such as "desert, Gobi, and barren" bases, direct green power connection, and zero-carbon industrial parks, the industry will deepen integration with the power system, explore integrated solar-storage models, participate in electricity market trading, stimulate industrial vibrancy, and promote high-quality development through cross-industry integration.

MANAGEMENT DISCUSSION AND ANALYSIS

III. ANALYSIS OF CORE COMPETITIVE STRENGTHS

As a specialized PV cell manufacturer, the Company has focused its efforts on the R&D, production, and sales of PV cells. Through years of dedicated development, it has evolved into a globally recognized PV industry leader. Specifically, its core competitive strengths are as follows:

(I) **A rare specialized PV cell manufacturer in the industry, focusing on the core PV cell segment**

The PV industry has transitioned from an extensive growth development stage focused on capacity expansion to an innovation-driven, intensive development phase. Coupled with the trend towards localization of overseas module production capacity, the core value of specialized cell manufacturers is becoming increasingly prominent. As a rare specialized PV cell manufacturer in the industry, the Company concentrates on the core segments of PV cell R&D, production and sales. It has consistently adhered to a specialized development trajectory, concentrating its core resources on technological breakthroughs and manufacturing efficiency enhancements, thereby highlighting the value of its specialized field and forming a unique specialized competitive barrier.

Through years of specialized dedication, the Company has maintained industry leadership across multiple technological iteration cycles. By the end of 2022, it took the industry lead in achieving mass production capacity for N-type cells and had completed their full technological upgrade iteration. At the current stage, the Company focuses on improving the quality and efficiency of its existing production capacity, adhering to rational development and avoiding unwarranted expansion of capacity scale. Simultaneously, leveraging its specialization advantages, it can engage in in-depth joint venture cooperation with overseas module customers, steadily establish overseas production capacity, fill the gap in overseas cell production capacity, and precisely seize overseas market development opportunities in 2025, further strengthening its industry position.

(II) **Innovation-led development, driven by the dual engines of technology and talent**

The Company adheres to innovation-driven development, possesses strong technological capabilities, and has formed a leading N-type technology advantage. It has efficient capabilities for improving efficiency and reducing costs, effectively alleviating operational pressures from downward industry price trends and strengthening the Company's risk resistance and profitability resilience to cope with the common operational challenges in 2025 arising from supply-demand imbalance and hindered cost transmission in the PV industry. The Company adheres to the R&D philosophy of "researching one generation, piloting one generation, mass-producing one generation". Relying on its professional technical management team and core talent pipeline, it continuously optimizes TOPCon cell production processes. The mass production efficiency of its main N-type cells remains firmly in the industry's first tier, with technological barriers continuously consolidated.

MANAGEMENT DISCUSSION AND ANALYSIS

The Company has cultivated a technically-oriented management team guided by the philosophy of “technology leadership, specialized expertise empowerment, and efficient cross-functional collaboration”, offering critical support for its technological innovation and sustainable development. During the Reporting Period, through means such as metal recombination reduction, passivation performance improvement, optical optimization, and grid line refinement, the Company continuously enhanced cell mass production efficiency and reduced non-silicon costs per watt, effectively mitigating the impact of industry price fluctuations. This has not only consolidated its current technological advantages but also laid a solid foundation for long-term cost reduction, efficiency enhancement, and profitability improvement. Simultaneously, the Company closely monitors cutting-edge technology development trends, accelerating the R&D and preparation of next-generation high-efficiency cell technologies such as xBC cells and perovskite tandem cells. It deepens industry-academia-research collaborative cooperation and actively explores new application scenarios for PV technology, promoting the industrialization of cutting-edge technologies to rapidly adapt to the iterative changes in PV cell technology and continuously maintain its industry-leading position.

(III) Leading production capacity scale, continuously consolidating the foundation for global expansion

With a view towards the rapidly developing overseas PV demand, the Company adheres to its globalization development strategy, fully leveraging its technological and product advantages. It constantly builds and improves its global sales and service network, possessing global customer service capabilities, and its market share for cell products is at an industry-leading level. The Company has established a global production capacity synergy layout of “stable domestic production + overseas expansion”, solidifying the foundation for its global market presence and deeply cultivating the global PV market. The two major production bases in Chuzhou and Huai’an have a combined production capacity exceeding 40 GW, which can fully meet the demands for rapid delivery to global customers. Simultaneously, the Company is continuously exploring and planning the establishment of overseas high-efficiency cell production capacity through diversified models such as technical cooperation, capacity construction, and investment cooperation. Currently, overseas production capacity projects in Turkey and elsewhere are progressing steadily. In future, it aims to achieve “local production, local delivery”, which will help circumvent international trade barriers, reduce logistics costs, further enhance global supply efficiency, and promote the Company’s deep integration into local overseas industrial chains, meeting the growing development needs of overseas PV markets.

In terms of customer cooperation, the Company maintains long-term and stable cooperative relationships with the world’s leading PV module enterprises. In 2025, its overseas sales proportion exceeded 50%, and its market share in key markets such as India and Turkey ranks among the top in the industry. By providing stable and reliable products, customized solutions, and localized services, the Company’s customer loyalty continues to deepen. Simultaneously, leveraging its overseas production capacity presence, it further expands into high-value overseas markets, forming a global synergistic development advantage of “capacity-customer-market”.

(IV) Empowerment by dual capital platform, continuously demonstrating global competitiveness

The Company has successfully established an A+H dual capital platform. While leveraging capital strength to consolidate its global development advantages and support the implementation of its global strategy, it also relies on capital empowerment to explore and cultivate a second growth curve, broadening paths and injecting impetus for long-term, high-quality development. As the first company in the industry to achieve an A+H share listing, the dual capital platform has thoroughly opened up domestic and international financing channels, effectively reduced financing costs, and provided solid financial support for overseas capacity construction, R&D investment, industrial chain integration, and new business development, becoming one of the Company’s core competitive advantages.

MANAGEMENT DISCUSSION AND ANALYSIS

At the same time, the A+H dual capital platform has significantly enhanced the Company's international brand influence, helping it better integrate global shareholder resources and high-quality industry resources, and deepen its overseas market presence and international cooperation. With the empowerment of capital, the Company can accelerate the implementation of overseas production capacity and the progress of cutting-edge technology R&D, further amplifying its advantages in specialization and global synergistic development, providing a powerful platform guarantee for the advancement of its globalization strategy.

IV. PRINCIPAL OPERATIONS ANALYSIS

1. Overview

In 2025, the global PV market maintained its growth trajectory, with particularly strong demand in overseas markets. However, the industry remained in a cycle of capacity rationalization and declining product prices, putting pressure on overall profitability across the industrial chain, and the Company's operating results were also under periodic pressure. During the Reporting Period, the Company recorded operating revenue of RMB7,597.8 million, representing a year-on-year decrease of 23.4%; and net loss of RMB1,415.8 million, representing a year-on-year increase of 139.5%. In response to the industry situation, the Company focused on cell technology upgrades, its globalization strategy, and refined management. During the Reporting Period, the proportion of overseas sales revenue significantly increased from 23.9% in 2024 to 50.8%. The Company successfully listed on the Hong Kong capital market platform and actively explored new application scenarios for PV technology. The details are as follows:

(I) *Maintaining its competitive position in cost optimization through R&D with continuous upgrading in N-type technology*

In 2025, the Company continued to delve into the core technologies of PV cells, focusing on promoting the iterative upgrade of N-type TOPCon cell processes. It carried out technological innovations in multiple directions, including metal recombination reduction, passivation performance improvement, optical performance optimization, and grid line refinement, driving steady improvements in mass production conversion efficiency and continuous declines in non-silicon costs per watt. Currently, the Company's average mass production conversion efficiency for cells exceeds 26%. Through the development and optimization of new processes, the Company meets market demand for high-conversion-efficiency cells and is committed to creating cost-effective cell products to enhance power generation and economic returns for end-user power stations.

In terms of technology readiness, the Company has proactively positioned itself for next-generation high-efficiency cell technologies, continuously consolidating its technological leadership advantage. Since initiating the R&D and pilot testing of TBC cells in 2023, cell efficiency has continuously improved from approximately 25% to currently around 26.6%. At this stage, preparations for mass production are progressing steadily, laying a solid foundation for subsequent capacity release and product iteration. The small-area conversion efficiency of perovskite tandem cells has reached 33.53%, which is at an industry-leading level. Key technology verification has been completed, accumulating valuable experience for future commercial applications. Concurrently, the Company maintains in-depth cooperation with multiple well-known domestic and international research institutions, establishing a multi-level, comprehensive R&D system that effectively integrates external technological resources, helping the Company continuously enhance its independent R&D capabilities. In future, the Company will continue to increase R&D investment, constantly improve its R&D organization and mechanisms, and strengthen technological innovation and the transformation of achievements, ensuring the Company always remains at the forefront of the PV cell technology field and providing core technological support for its long-term and high-quality development.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) Achieving significant growth in overseas sales proportion while continuously enhancing global service capabilities

In 2025, the Company's globalization development strategy achieved remarkable results, with breakthrough progress in overseas market expansion. The proportion of overseas sales revenue significantly increased from 23.9% in 2024 to 50.8%, with its market share in key regional markets such as India, Turkey, and Europe ranking among the top in the industry. During the Reporting Period, the Company actively participated in international exhibitions such as the Solarex Istanbul and the Renewable Energy India Expo, strengthening overseas product promotion and international industry exchanges, and continuously enhancing the Company's brand awareness and influence in the global PV industry. Simultaneously, it constantly improved its global product certification system, successfully obtaining multiple certifications related to energy management and quality management, further broadening overseas market access channels and effectively enhancing the Company's competitiveness in overseas markets.

Apart from expanding its cell export business, the Company conducts research and exploration through diversified models such as technical cooperation and capacity construction, methodically establishing overseas high-efficiency cell production capacity. By advancing localized production capacity construction and getting closer to core overseas markets, it further integrates into local overseas industrial chains on the basis of effectively enhancing the stability of global product supply and delivery efficiency. Leveraging its own cell technology advantages, the Company engages in strategic cooperation with overseas customers to jointly promote the construction of high-efficiency cell projects, meeting the demand in overseas markets for high-performance, high-reliability PV cells while simultaneously filling structural gaps in regional cell production capacity, strengthening the Company's international capacity deployment capabilities, and improving the responsiveness of global customer service. During the Reporting Period, relevant projects were progressing steadily. Affected by the complex and volatile international trade situation and tariff policies, coupled with turmoil in the Middle East region and a significant rise in geopolitical uncertainty, the implementation of the Company's originally planned 5GW annual capacity high-efficiency cell production base project in Oman was impacted to a certain extent. The Company will fully assess project benefits and potential risks, prudently advance project implementation, and dynamically optimize project plans based on actual conditions, taking into account the international trade environment, tariff policies, regional security situation, and domestic and overseas market dynamics.

MANAGEMENT DISCUSSION AND ANALYSIS

(III) Expanding PV Technology Application Scenarios and Actively Exploring the Space PV Market

In 2025, the global commercial aerospace industry entered a stage of large-scale development, characterized by the dense constellation networking of low-earth orbit satellites and the continuous expansion of space application scenarios. To align with national strategic needs, support the goal of becoming an aerospace power, and seize the opportunities arising from the global technological reformation in space energy and the development of the commercial aerospace industry, the Company entered into a strategic cooperation framework agreement with Hangzhou Shangyi Photoelectric Technology Co., Ltd. (杭州尚翼光电科技有限公司) (“**Shangyi Photoelectric**”) on December 21, 2025. This agreement aims to explore collaborative R&D and industrial implementation in the cutting-edge application sectors of PV technology. Originating from the technology ecosystem of the Shanghai Institute of Optics and Fine Mechanics under the Chinese Academy of Sciences, Shangyi Photoelectric has completed first-principles verification of perovskite materials under the space environment. It focuses on the R&D of flexible perovskite PV technology for space applications and possesses exclusive technological advantages in formulating materials for extreme space conditions and designing radiation-resistant structures. Leveraging its own accumulated technological foundation and industrialization capabilities in fields such as perovskite tandem cells, and combining them with the partner’s strengths in adapting PV technology for space scenarios, the Company is conducting joint R&D around new application directions for PV technology to promote the implementation and transformation of related technologies. This collaboration represents the Company’s prudent positioning based on industry technology development trends. It possesses significant technological synergy with its existing PV main business, helps broaden the Company’s product application scenarios, accumulates momentum for the Company’s long-term and high-quality development, and contributes to sustainable development, solidifying the industrial foundation for China’s goal of becoming an aerospace power.

(IV) Successful listing on Hong Kong equity capital market has facilitated its global expansion initiatives

On May 8, 2025, the Company completed its listing on the Main Board of the Hong Kong Stock Exchange (stock code: 2865.HK), establishing itself as the first PV company to achieve dual listings on both A-share and H-share markets. This milestone event provides solid financial support and a broad platform security for the Company’s global financing, overseas capacity construction, technology R&D investment, and industrial chain integration, also marking a new stage in the Company’s globalization development strategy. This successful listing in Hong Kong has not only significantly enhanced the Company’s financing capabilities and financial strength, broadened its financing channels, and optimized its capital structure, but also by leveraging the unique advantages of the A+H dual capital operation platform, the Company will effectively integrate various domestic and international shareholder resources, fully connect with high-quality resources in the international capital market, further enhance its international brand influence and global market recognition, and provide comprehensive, multi-layered important security for its global expansion and long-term development.

MANAGEMENT DISCUSSION AND ANALYSIS

(V) *Deepening lean management and practicing ESG governance concepts*

In 2025, facing industry competitive pressures, the Company continuously propelled organizational structure optimization and streamlined management processes to improve operational efficiency. Simultaneously, it increased investments in informatization, digitalization, automation, and intelligent construction, empowering smart manufacturing and business development with technology, effectively reducing production and operating costs. The Company's Huai'an base was successfully rated as a "Jiangsu Provincial Advanced Smart Factory". The Company's "AI Project for Battery Manufacturing Process Optimization Based on MoE (Mixture-of-Experts) Algorithm" was successfully selected for the "2025 Anhui Province Artificial Intelligence Scenario Innovation Project List".

During the Reporting Period, the Company actively practiced ESG development concepts, published its "2024 Sustainability Report", and was successfully selected for the "Global New Energy ESG Top 100 List", with its Wind ESG rating maintained at A. Its subsidiaries, Jietai Technology's Chuzhou and Huai'an bases, successfully passed the international certifications for the ISO 50001:2018 Energy Management System and the SA8000:2014 Social Responsibility Management System, achieving internationally advanced standards in green operations and social responsibility management.

In 2025, the Company's brand influence and comprehensive strengths continued to improve. It was successfully selected for the "2025 Global New Energy Enterprise Top 500" and "Global PV Brand Top 100", and won multiple accolades such as the "Most Innovative Enterprise in the Solar & Storage Industry", the "2025 Most Influential Solar Cell Enterprise", the "PV Cell Innovation Pioneer Award", and the "Top Ten PV Cell Brands".

V. PROSPECTS FOR THE COMPANY'S FUTURE DEVELOPMENT

(I) *The Company's Future Development Strategy*

In future, the Company will adhere to its overall strategic development direction of taking the ground-based PV principal business as the core, continuing to delve deeply into technological innovation and global expansion, and promoting the synergistic development of new businesses such as space PV and commercial satellites. Relying on its profound accumulation of PV technology, industrial chain integration capabilities, and the advantages of its listed company platform, the Company will steadily advance technology R&D, product verification, and business implementation in space PV, and methodically expand its commercial satellite business, aspiring to become a leader in space PV.

(II) *The Company's Key Priorities for 2026*

1. *Deeply developing the PV business, consolidating the foundation for operations and development*

The Company will continue to focus on technological iteration and cost reduction and efficiency enhancement for high-efficiency PV cells, facilitate the technological optimization of core products such as TOPCon and xBC, improve mass production conversion efficiency, further reduce production and manufacturing costs, and consolidate the technological and capacity advantages of N-type cells. Simultaneously, the Company will deepen its global market and production capacity presence, promote the implementation and operation of overseas joint venture production bases, continuously expand high-quality customer resources both domestically and abroad, steadily increase the proportion of overseas sales, rely on matured supply chains and production mechanisms, drive improvement in the operating performance of its principal business, and ensure stable cash flow and profit sources for the enterprise.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Increasing R&D investments in space PV business, steadily promoting industrialization implementation

In 2026, the Company will focus on advancing the R&D and industrial implementation of its space PV business. On January 23, 2026, the Company established Shangrao Jietai Aerospace Space Technology Co., Ltd. (上饒捷泰航太空間科技有限公司) as the core implementation vehicle for its space PV business. Its core tasks are to conduct technology R&D and build a pilot line centered around CPI film and products combining CPI film with perovskite/crystalline silicon tandem cells, thereby laying the foundation for subsequent industrialization. Its operations will synergize with the Company's existing PV technology R&D and industrial chain resources, facilitating the technology transfer and production capacity layout for core space PV products. Addressing the specific technical requirements of space scenarios, the Company will focus on optimizing core technologies, including material formulations suitable for extreme space environments, cell structure design, packaging, and temperature control technologies. It will accelerate the construction of the pilot line and improve the supporting systems for R&D and trial production. Simultaneously, it will advance the preparation and implementation of in-orbit verification for related products such as space CPI film and CPI film combined with perovskite/crystalline silicon tandem cells. It will conduct preliminary work with relevant partners such as technical exchanges and sample testing. Relying on its R&D and production capabilities, along with the Company's overall technological accumulation, it will gradually advance the commercialization process of space PV products, expand the application boundaries of PV technology, and cultivate new drivers for enterprise development.

3. Expanding commercial satellite-related businesses, promoting coordinated business development

On February 4, 2026, the Company completed the acquisition and industrial and commercial registration change of Shanghai Xuntian Qianhe Space Technology Co., Ltd. (上海巡天千河空間技術有限公司) ("**Xuntian Qianhe**"), thereby formally entering the commercial satellite sector. By leveraging space PV technology as an energy source, this move aims to promote the synergistic development of commercial satellite and space PV businesses, and perfect the Company's overall aerospace business presence. At the technical level, the Company will utilize the commercial satellite platform to provide hosted payload verification and supporting services for related products such as space CPI film and perovskite/crystalline silicon tandem cells. At the business level, the Company will integrate existing product mechanisms and advance the coordinated development of the industrial chain related to satellites and satellite energy systems. Subsequently, leveraging the resources of its listed company platform, the Company will facilitate Xuntian Qianhe to steadily cultivate the remote sensing satellite market, methodically advance the development and industrial presence of communication satellites, explore business opportunities in computing power satellites, and simultaneously actively expand into overseas markets.

MANAGEMENT DISCUSSION AND ANALYSIS

4. *Enhancing corporate governance standards, contributing to the Company's high-quality development*

The Company will promote lean management throughout the entire production and operation process, build a digital operation control regime, deeply integrate ESG development concepts into all aspects of its business operations and development, promote the greening of production and manufacturing and the intelligent upgrade of operation management, and continuously improve production efficiency and quality control capabilities. The Company will stringently fulfill its information disclosure obligations, optimize information disclosure processes, improve the quality of information disclosure, strengthen investor relationship management and routine market communication. Simultaneously, it will improve its internal control and risk prevention mechanisms, perfect management systems and processes for every business segment, and strengthen post-investment management and compliance supervision throughout the entire business process. Standardized operations will provide a solid guarantee for the steady development of the Company's principal businesses and the orderly advancement of its emerging businesses.

(III) Risks We Face

1. *Risks relating to market competition*

As a global leading specialized PV cell manufacturer, the Company possesses strong advantages in product performance, customers, brand, and team. If industry competition intensifies further in the future, and the Company fails to fully leverage its own technological, cost, and brand advantages to consolidate and enhance its existing market position, it may face competitive risks such as declining market share, weakened product competitiveness, and compressed profit margins.

Countermeasures: As a frontrunner in N-type cell technology, the Company enjoys a first-mover advantage in N-type technology. Moving forward, the Company will continue to increase its R&D investment, constantly carry out cost reduction and efficiency enhancement efforts, maintain technological and cost leadership, and enhance the market competitiveness of its products. At the same time, the Company will continue to strengthen communication and collaboration with customers, adhere to a market-oriented and customer-centric approach, constantly improve product quality and service quality, and maintain the Company's core market competitiveness.

2. *Risks relating to product price fluctuation*

The PV cell segment is affected by upstream raw material prices, downstream module manufacturer demand, and policy changes, which could lead to significant fluctuations in its prices. If product selling prices experience significant fluctuations in the short term in the future, and the Company is unable to adjust the costs synchronously through cost pass-through, technology upgrades, efficiency improvements, or other means, it will adversely affect the Company's operating results and profitability.

Countermeasures: The cell segment bears the price pressure from both the wafer and module segments. The Company continuously strengthens R&D and technological innovation, optimizes production processes and technologies, reduces costs and increases efficiency, focuses on improving product technology and processes, recalibrates industry product demand, plans the development direction of technology routes, continuously builds technological leadership advantages, enhances product cost-effectiveness, and maintains the core competitive advantage of the Company's products in the market.

MANAGEMENT DISCUSSION AND ANALYSIS

3. *Risks relating to significant fluctuation in raw material prices*

The cell segment is affected by factors such as changes in market demand, macroeconomic fluctuations, changes in industrial policies, and uneven development across various segments of the industrial chain, which can easily lead to significant fluctuations in the prices of related raw materials. The Company's main upstream raw materials are silicon wafers, silver paste, and other chemicals. Silicon wafers are the most important raw material, and silver paste, as a core auxiliary material, has price fluctuations that significantly affect the Company's production costs. If procurement prices for silicon wafers and silver paste experience significant fluctuations in the future, they will affect the Company's raw material procurement costs and procurement stability, posing certain risks to the Company's production and operations.

Countermeasures: The Company will continuously facilitate an efficient "production-supply-sales" supply chain control mechanism, improve the production plan management system, strengthen implementation, and shorten production cycles. Simultaneously, it will pay real-time attention to raw material market price fluctuations, improve intelligent inventory management levels, control the quantity of raw materials and finished goods inventory, and guard against the risks of raw material price fluctuations.

4. *Risks relating to rapid technological changes and product iteration*

In 2022, the Company took the industry lead in achieving mass production of N-type TOPCon cells, becoming a frontrunner in N-type technology. Currently, the Company's main products are N-type TOPCon cells. Although the Company's current product performance has industry-leading technological advantages, the development of various types of technologies in the PV industry is uncertain. If other high-efficiency cell technology routes achieve major breakthroughs in the future, significantly surpassing existing technologies in mass production efficiency and cost control, it may lead to the iteration of the Company's existing products, adversely affecting the Company's business and development.

Countermeasures: As a leading cell manufacturer, the Company adheres to the principles of technology leadership and actively positions itself through capacity expansion to seize market opportunities. It adheres to the R&D management model of "researching one generation, piloting one generation, mass-producing one generation". On the basis of continuously optimizing TOPCon cell process technology, improving product conversion efficiency, and reducing production costs, the Company will also study and anticipate the development direction of new product technology directions in the market, actively strengthen the R&D on new product technology routes, make advance preparations and strategic plans for technology reserves, continuously promote in-depth industry-academia-research cooperation at its R&D centers, strengthen the cultivation and introduction of technical talents, expand the core innovation capabilities of its R&D team, and maintain the leading advantages of the Company's technology and products.

MANAGEMENT DISCUSSION AND ANALYSIS

5. *Risks relating to overseas business*

In 2025, the Company's proportion of overseas sales revenue increased significantly, and it is steadily advancing the construction of overseas production capacity projects such as the one in Turkey. Overseas business has become one of the Company's core development segments. However, overseas business faces multiple uncertainties, including international trade frictions, adjustments in tariff policies, changes in local laws, regulations and business environments, and geopolitical conflicts. If related risks materialize, they may affect the Company's overseas market expansion, product exports, and the progress of overseas production capacity projects, thereby adversely affecting the Company's operating results.

Countermeasures: The Company will closely monitor the global international trade situation, tariff policies, and geopolitical dynamics, establish an overseas risk early warning mechanism, and promptly adjust overseas business strategies and presence. It will strengthen communication and collaboration with local partners and industry institutions, stringently comply with local laws, regulations, and business rules, and reduce compliance risks. It will optimize the regional landscape of overseas markets, reduce dependence on any single market, while steadily advancing the construction of localized overseas production capacity to enhance its responsiveness and risk resistance in overseas markets.

6. *Risks relating to uncertainties in new business expansion*

The Company's expansion into new businesses such as space PV and commercial satellites represents a strategic exploration based on industry development trends. These related businesses face significant operational and development uncertainties. Space PV is still in the technology R&D and preliminary verification stage. The long-term reliability and mass production consistency of perovskite PV technology in extreme space environments have yet been fully verified. Related products still require in-orbit verification, and there is significant uncertainty in technology R&D progress and verification results. Although there is an initial business presence in the commercial satellite field, the industry is significantly affected by external factors such as launch windows, policy supervision, and geopolitics. Moreover, products are highly customized and delivery processes are complex, leading to significant variables in the pace of subsequent market expansion and industrialization promotion. There is significant uncertainty as to whether these two types of new businesses can form stable operational capabilities and achieve expected returns in the future. If technology R&D falls short of expectations, project verification fails, or business promotion is hindered, it will adversely affect the implementation of the Company's related strategic plans.

Countermeasures: The Company will propel new businesses in coordination with the development of its PV main business, continuously strengthen technology R&D and reserves related to new businesses, and consolidate the foundation for technological development. It will conduct investments in new businesses adhering to the principle of prudence, stringently control the investment scale and development pace, and guard against investment risks. Simultaneously, it will actively explore market resources and customer resources for new businesses, steadily advance business cooperation and industrialization implementation. It will establish and improve risk control mechanisms for new businesses, closely track industry dynamics, and promptly optimize and adjust business strategies to ensure that the development of new businesses and the operation of the principal business are in healthy synergy.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW REVENUE

The Group primarily derives revenue from the sale of PV cell products and related service. The Group recorded revenue of RMB7,597.8 million for the year ended December 31, 2025, representing a decrease of approximately 23.4% as compared to RMB9,923.9 million for the year ended December 31, 2024, primarily due to a decrease in revenue generated from Chinese Mainland which is mainly attributable to the decrease in sales volume of the PV cells as well as the decreased prevailing market price. Such decrease was partially offset by a significant increase in revenue generated outside Chinese Mainland, reflecting the Group's strategic shift focusing on its globalization strategy, including overseas market expansion, international sales network development, and enhanced global customer service capabilities.

The table below sets out the breakdown of the Group's revenue by region for the periods indicated:

Region	For the year ended December 31,			
	2025		2024	
	RMB'000	%	RMB'000	%
Chinese Mainland	3,736,458	49.2	7,550,690	76.1
Outside Chinese Mainland	3,861,388	50.8	2,373,204	23.9
Total	7,597,846	100.0	9,923,894	100.0

COST OF SALES

The cost of sales primarily consists of raw materials, overhead, direct labor costs, allowances for inventories and impairment on PPE. Cost of sales of the Group decreased by approximately 18.9% from RMB10,009.0 million for the year ended December 31, 2024 to RMB8,115.3 million for the year ended December 31, 2025, primarily due to the decreased sales volume of PV cells.

GROSS LOSS AND GROSS LOSS MARGIN

The Group recorded a gross loss of RMB517.4 million for the year ended December 31, 2025, representing a gross loss margin of 6.8%, as compared to a gross loss of RMB85.1 million and a gross loss margin of 0.9% for the year ended December 31, 2024 respectively. Such increase in gross loss and gross loss margin was primarily due to the increase in cost of sales resulting from the impairment of PPE.

OTHER INCOME

Other income of the Group primarily consists of (i) bank interest income, (ii) extra deduction of input VAT, (iii) government grants, and (iv) sales of materials. Other income of the Group decreased by approximately 35.0% from RMB172.9 million for the year ended December 31, 2024 to RMB112.3 million for the year ended December 31, 2025. Such decrease was primarily attributable to the decrease in extra deduction of input VAT for the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

OTHER GAINS AND LOSSES

Other gains and losses of the Group primarily consist of (i) impairment loss recognised on goodwill, (ii) net loss on disposal of PPE, (iii) net gain on termination of right-of-use assets and lease liabilities, (iv) net foreign exchange (loss)/gain, (v) net fair value (loss)/gain on financial assets at FVTPL; and (vi) others.

The Group recorded net other losses of RMB162.9 million for the year ended December 31, 2025, as compared to net other gains of the Group of RMB24.1 million for the year ended December 31, 2024, primarily attributable to (i) impairment loss recognized on goodwill; (ii) the net fair value loss on financial assets at FVTPL; and (iii) increase in net foreign exchange loss due to the decline in the USD exchange rate.

FINANCE COSTS

The finance costs include (i) interest on bank and other borrowings, (ii) expense on discounting bills receivables and receivables at FVTOCI, (iii) interest on lease liabilities, (iv) interest on payables for acquisition of PPE, and (v) interest on payables for acquisition of intangible assets. Finance costs of the Group increased by approximately 23.6% from RMB220.6 million for the year ended December 31, 2024 to RMB272.7 million for the year ended December 31, 2025, primarily attributable to an increase in interest on bank and other borrowings as the Group obtained new bank and other borrowings.

LOSS FOR THE REPORTING PERIOD

As a result of the foregoing, the Group recorded a loss of RMB1,415.8 million for the year ended December 31, 2025, as compared to a loss of RMB591.1 million for the year ended December 31, 2024.

PROPERTY, PLANT AND EQUIPMENT

The Group's PPE primarily consists of buildings, plant, machinery, office equipment, motor vehicles, and construction in progress. PPE of the Group decreased by approximately 11.5% from RMB8,483.1 million as of December 31, 2024 to RMB7,503.9 million as of December 31, 2025, primarily due to provision for impairment on PPE.

INVENTORIES

The Group's inventories consist of raw materials, work-in-progress, finished goods and goods in transit. The Group's inventories increased by approximately 15.6% from RMB552.1 million as of December 31, 2024 to RMB638.0 million as of December 31, 2025, primarily due to an increase in the inventory value as a result of higher key raw materials prices and an increase in the quantity of safety stock.

TRADE, BILLS AND OTHER RECEIVABLES

Trade, bills and other receivables of the Group remained steady at RMB824.8 million as of December 31, 2024 and RMB823.3 million as of December 31, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL ASSETS AT FVTPL

During the Reporting Period, in line with the liquidity management policies of the Group, the Group purchased (i) financial product investments which are unlisted and managed by licensed financial institutions in the PRC and principally allocated to bonds, trusts and cash funds pursuant to entrusted agreements entered into among the parties involved; and (ii) equity investments which represent investments in listed entities in Hong Kong. Financial assets at FVTPL of the Group increased by approximately 46.4% from RMB430.2 million as of December 31, 2024 to RMB629.9 million as of December 31, 2025, primarily due to the increase in equity investments.

RESTRICTED BANK DEPOSITS

The restricted bank deposits were deposited to banks for the issue of bank borrowings, bills payables and letter of credit by the Group. Restricted bank deposits of the Group increased by approximately 58.9% from RMB919.4 million as of December 31, 2024 to RMB1,460.9 million as of December 31, 2025, primarily due to the increased use of bank acceptance bills catering to our business needs.

TRADE, BILLS AND OTHER PAYABLES

Trade, bills and other payables of the Group decreased by approximately 1.6% from RMB6,948.9 million as of December 31, 2024 to RMB6,836.5 million as of December 31, 2025, primarily due to the decrease in payables for acquisition of PPE.

CAPITAL STRUCTURE

The total assets of the Group remained steady at RMB16,444.2 million as of December 31, 2024 and RMB16,402.5 million as of December 31, 2025. The total liabilities of the Group increased by approximately 1.5% from RMB12,557.2 million as of December 31, 2024 to RMB12,742.6 million as of December 31, 2025. Liabilities-to-assets ratio increased from approximately 76.4% as of December 31, 2024 to approximately 77.7% as of December 31, 2025.

LIQUIDITY AND FINANCIAL RESOURCES

The Group mainly used RMB to hold cash and cash equivalents. The cash and cash equivalents of the Group increased by approximately 14.4% from RMB2,616.3 million as of December 31, 2024 to RMB2,993.0 million as of December 31, 2025, primarily attributable to the receipt of proceeds from the Global Offering.

The Group adopts a prudent funding and treasury policy with a view to optimize its financial position. The Group regularly monitors its funding requirements to support its business operations and perform ongoing liquidity review. The primary uses of cash are to satisfy its working capital, capital expenditure and investment needs. For the Reporting Period, the Group financed its operations primarily through cash flows from operating activities, available bank loans and banking facilities, and net proceeds from the Global Offering of the H Shares, details of which were disclosed in the Prospectus.

The Group manages and monitors the exposure of liquidity risk to ensure appropriate measures are implemented in a timely and effective manner. The Group regularly monitors the liquidity requirements and compliance with lending covenants, to ensure that the Group maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet the liquidity requirements in the short and longer term. During the Reporting Period, apart from the foreign exchange hedging instruments to hedge against foreign currency exchange risks, the Group did not use any other financial instrument for hedging purposes, did not have any other outstanding hedging instruments and did not consider necessary to hedge in order to manage the liquidity and capital resources.

MANAGEMENT DISCUSSION AND ANALYSIS

INDEBTEDNESS

The following table sets forth a breakdown of indebtedness as of the dates indicated.

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Bank and other borrowings		
Non-current	2,655,707	2,886,001
Current	3,105,326	2,491,935
Total bank and other borrowings	5,761,033	5,377,936
Lease liabilities		
Non-current	3,904	5,136
Current	1,622	2,170
Total lease liabilities	5,526	7,306
Payables for acquisition of property, plant and equipment	3,934,129	4,714,360
Payables for acquisition of intangible assets	65,718	83,750
Amount due to an Independent Third Party	–	20,000
Total	9,766,406	10,203,352

MANAGEMENT DISCUSSION AND ANALYSIS

(a) Bank and other borrowings

The Group's borrowing requirements are not subject to significant seasonal fluctuations. As of December 31, 2025, the Group had total bank and other borrowings of RMB5,761.0 million, representing an increase of approximately 7.1% as compared to RMB5,377.9 million as of December 31, 2024. As of December 31, 2025, approximately 31.3% of the Group's total bank and other borrowings were at fixed interest rates, while the remainder were at variable interest rate. The borrowings of the Group are made in either RMB or Yen.

The following table sets forth the maturity structure of bank and other borrowings of the Group as of December 31, 2024 and 2025:

	December 31, 2025		December 31, 2024	
	Balance	Percentage	Balance	Percentage
	RMB'000	%	RMB'000	%
Within one year	3,105,326	53.9	2,491,935	46.3
1 year to 2 years	1,178,669	20.5	1,381,469	25.7
2 to 5 years	1,477,038	25.6	1,504,532	28.0
	5,761,033	100.0	5,377,936	100.0

As of December 31, 2025, the Group had committed unutilized banking facilities of RMB4,050.3 million (as of December 31, 2024: RMB5,973.7 million).

(b) Lease Liabilities

As of December 31, 2025, the Group had total lease liabilities of RMB5.5 million, representing a decrease of approximately 24.7% as compared to RMB7.3 million as of December 31, 2024.

(c) Amount due to an Independent Third Party

As of December 31, 2025, the amount due to an Independent Third Party had been fully settled. The amount due to an Independent Third Party represents the loan provided by Jiangxi State-owned Assets Venture Investment Management Co., Ltd. (江西國資創業投資管理有限公司) to Shangrao Hongye New Energy Co., Ltd. (上饒市弘業新能源有限公司), with the principal amount of RMB20.0 million with a term of three years ended on February 14, 2025, to support the R&D of high-efficiency large-size PV cells.

Except as disclosed above, the Group did not have, as of December 31, 2025, any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, hire purchase commitments, guarantee or other material contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

GEARING RATIO

Gearing ratio is calculated using total debt (including bank and other borrowings, and lease liabilities) divided by shareholders' equity as of the end of the year. The gearing ratio of the Group increased from approximately 138.5% as of December 31, 2024 to approximately 157.6% as of December 31, 2025, which was primarily due to the increase of bank borrowings.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios of the Group:

	As of/for the year ended December 31,	
	2025	2024
Profitability:		
Gross Margin ⁽¹⁾	(6.8)%	(0.9)%
Profit Margin ⁽²⁾	(18.6)%	(6.0)%
Liquidity:		
Current ratio ⁽³⁾	1.0 times	1.0 times

Notes:

- (1) Gross margin is calculated using gross profit divided by revenue for the year and multiplied by 100%.
- (2) Profit margin is calculated using profit for the year divided by revenue for the year and multiplied by 100%.
- (3) Current ratio is calculated using current assets divided by current liabilities as of the end of the year.

CONTINGENT LIABILITIES

As of December 31, 2025, the Group did not have any material contingent liabilities, guarantees, any litigations or claims of material importance, pending or threatened against any member of the Group that is likely to have a material and adverse effect on the business, financial condition or results of operations.

CAPITAL EXPENDITURES

The Group's capital expenditures represent payment for purchases of and prepayment for acquisition of PPE. The Group finances its capital expenditures primarily through cash generated from operations, bank loans and the net proceeds from the Global Offering. The capital expenditures decreased by approximately 65.8% from RMB604.5 million for the year ended December 31, 2024 to RMB206.7 million for the year ended in December 31, 2025, primarily due to most of the production line investments having been completed in 2024, with only upgrades and renovations in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

PLEDGE OF OR RESTRICTION OF ASSETS

As of December 31, 2025, the PPE of the Group with carrying amounts of RMB863.8 million were pledged as mortgage for sale and leaseback financing (as of December 31, 2024: RMB923.1 million).

As of December 31, 2025, the right-of-use assets with carrying amounts of RMB121.0 million were pledged for government agency construction-payment arrangement (as of December 31, 2024: RMB123.6 million).

As of December 31, 2025, the bills receivables of the Group in the amount of RMB1.1 million were pledged as collateral for bank acceptance bills endorsed but not yet matured (as of December 31, 2024: RMB9.0 million).

As of December 31, 2025, no receivables at FVTOCI of the Group was pledged as collateral for bill financing (as of December 31, 2024: RMB0.02 million).

As of December 31, 2025, the restricted bank deposits of the Group in the amount of RMB1,460.9 million were pledged as collateral for bank acceptance bills and letter of credit guarantees (as of December 31, 2024: RMB919.4 million).

As of December 31, 2025, the refundable deposits of the Group in the amount of RMB38.8 million were paid as margin of the financial investment products of the Group (as of December 31, 2024: nil).

Save as disclosed above, the Group had no other pledged or restricted assets as of December 31, 2025.

FOREIGN EXCHANGE RISK AND HEDGING

The primary economic environment which the principal subsidiaries of the Company operate is the PRC and their functional currency is RMB. However, the Group derives a growing portion of the sales from international customers. Therefore, certain transactions of the principal subsidiaries including sales of goods are denominated in foreign currencies, particularly USD. As a result, the Group faces risks resulting from currency exchange rate fluctuations, particularly between RMB and USD. As of the date of this annual report, the Group uses currency forward contracts to hedge against its exposure to foreign currency exchange risks. The Group will closely monitor the foreign exchange risks and will utilize appropriate financial instruments for hedging purposes when necessary to help reduce foreign exchange risks.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Ms. Lu Xiaohong (陸小紅), aged 59, a former executive Director and the former chairperson of the Board of the Company. Ms. Lu joined our Group in August 2004 as deputy director of the general office for over 14 years. She served as a deputy general manager from October 2018 to June 2019 and general manager from September 2019 to June 2022. She was appointed as a Director and the chairperson of the Board in June 2019 and was re-designated as an executive Director in February 2024, with effect from the Listing Date. In July 2025, she voluntarily resigned as an executive Director and the chairperson of the Board of the Company because of old age and that she would like to devote more time to her other personal commitments.

Ms. Lu has been the chairperson of the Board of Jietai Technology, one of the wholly-owned subsidiaries, since October 2021. Prior to joining the Group, Ms. Lu has been the director of Suzhou Longxin Plastic Electrical Co., Ltd. (蘇州隆新塑料電器有限公司) (formerly known as Suzhou Longxin Plastic Electrical Printing Co., Ltd. (蘇州隆新塑料電器印刷有限公司)) (“**Suzhou Longxin**”) since January 2003.

Mr. Lu Xuyang (陸徐揚), aged 37, an executive Director and the chairperson of the Board of the Company. He was elected as an executive Director and the chairperson of the Board of the Company in July 2025.

Prior to joining the Group, Mr. Lu worked as an assistant investment manager at Beijing Hejun Consulting Co., Ltd. (北京和君諮詢有限公司) from February 2014 to July 2017. He also worked at the securities department of the Company from March 2018 to March 2021. Since March 2021, he has been working as a director and general manager of Suzhou Junda Automobile Technology Co., Ltd. (蘇州鈞達車業科技有限公司), a wholly-owned subsidiary of the Group prior to its disposal in April 2022.

Mr. Lu Xuyang is the son of Mr. Xu Xiaoping and Ms. Lu Xiaohong and the nephew of Mr. Xu Yong.

Mr. Zhang Manliang (張滿良), aged 45, an executive Director and general manager of the Company. Mr. Zhang joined the Group in April 2021 as a Director and deputy general manager of the Company and was later promoted as general manager of the Company in June 2022. Mr. Zhang was re-designated as an executive Director in February 2024, with effect from the Listing Date. Mr. Zhang was re-elected as an executive Director in July 2025. Mr. Zhang also holds the following positions in other members of the Group and he is primarily responsible for overall management and daily operation of the Group.

Other members of the Group	Positions held with other members of the Group	Date of appointment
Shangrao Jietai New Energy Technology Co., Ltd. (上饒捷泰新能源科技有限公司)	Director and general manager	June 2021 and December 2020
Shangrao Hongye New Energy Co., Ltd. (上饒市弘業新能源有限公司)	Executive director and general manager	April 2021
Chuzhou Jietai New Energy Technology Co., Ltd. (滁州捷泰新能源科技有限公司)	Executive director and general manager	December 2021
Huai'an Jietai New Energy Technology Co., Ltd. (淮安捷泰新能源科技有限公司)	Executive director and general manager	October 2022

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Other members of the Group	Positions held with other members of the Group	Date of appointment
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Shangrao Minghong New Energy Technology Co., Ltd. (上饒市明弘新能源科技有限公司)	Executive director and general manager	April 2021
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Mr. Zhang has over 15 years of experience in the photovoltaic cell industry. Prior to joining the Group, Mr. Zhang served as general manager of Oriental Risheng (Changzhou) New Energy Co., Ltd. (東方日升(常州)新能源有限公司) from August 2018 to November 2020. From May 2016 to August 2018, he worked at GCL System Integration Technology (Suzhou) Co., Ltd. (協鑫集成科技(蘇州)有限公司). From December 2009 to May 2016, he served as a deputy foundation general manager of Hairun Photovoltaic Technology Co., Ltd. (海潤光伏科技有限公司), a company primarily engaged in production of solar cells, and was responsible for assisting the foundation general manager relating to the production and management and operation of the foundation branch office. From July 2006 to August 2009, he worked at JingAo Solar Co., Ltd. (晶澳太陽能有限公司), a solar energy related production company.

Mr. Zhang received his bachelor's degree in electronic science and technology from Hebei University (河北大學) in the PRC in June 2006. Mr. Zhang also received his master's degree of business administration by online courses from University of North Alabama in the United States in December 2019.

Mr. Zheng Hongwei (鄭洪偉), aged 60, an executive Director and deputy general manager of the Company. He joined the Group in October 2021 as a Director and deputy general manager of the Company. Mr. Zheng was appointed as a vice chairman in January 2024 and was re-designated as an executive Director in February 2024, with effect from the Listing Date. Mr. Zheng was re-elected as an executive Director in July 2025. He is primarily responsible for overseeing overall strategic planning, investment, merger and acquisition and capital market matters of the Group.

Mr. Zheng has been a deputy general manager of Jietai Technology, since his joining in Jietai Technology in December 2019 and has been responsible for assisting the general manager of Jietai Technology in management and operation of Jietai Technology.

Prior to joining the Group, Mr. Zheng served as deputy general manager for Oriental Children Painting (Shanghai) Education Technology Co., Ltd. (東方童畫(上海)教育科技有限公司) from October 2018 to June 2019 and board secretary of Ribo Fashion Group Co., Ltd. (日播時尚集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603196.SH), from June 2017 to December 2017. From June 2009 to June 2017, Mr. Zheng worked at Zhejiang Semir Garment Co., Ltd. (浙江森馬服飾股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002563.SZ), where he served as the board secretary from June 2009 and also took on the role of deputy general manager in March 2011. Prior to this, Mr. Zheng worked at Fujian SBS Zipper Science and Technology Co., Ltd. (福建潯興拉鏈科技股份有限公司) from March 2003 to June 2009, a company listed on the Shenzhen Stock Exchange (stock code: 002098.SZ), serving as a board secretary from March 2003 and also a deputy general manager in September 2005. He was responsible for information disclosure and investor relations, equity affairs management, corporate governance, equity investment, preparation of board of directors and shareholders' meetings of the abovementioned companies.

Mr. Zheng received his bachelor's degree in chemical process machinery from Dalian University of Technology (大連理工大學) in the PRC in July 1987 and subsequently obtained the master's degree in chemical process machinery from Zhejiang University (浙江大學) in the PRC in March 1993. Mr. Zheng completed the postgraduate course in finance from Xiamen University (廈門大學) in the PRC in July 2005. He also obtained the qualification of board secretary for the Shenzhen Stock Exchange in September 2007.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Zheng Tong (鄭彤), aged 53, a former executive Director, board secretary and joint company secretary of the Company. Ms. Zheng joined our Group in July 2017 as a Director, the chief financial officer and secretary of the Board of the Company. She ceased to be a Director and chief financial officer in March 2021 and May 2022, respectively. Ms. Zheng was re-appointed as a Director in June 2022. She was re-designated as an executive Director in February 2024 and joint company secretary of our Company in January 2024, with both effect from the Listing Date. In July 2025, she voluntarily resigned as an executive Director in order to devote more time on her position as the joint company secretary of the Company.

Ms. Zheng has been serving as a director of Jietai Technology since October 2021. Prior to joining our Group, she worked at the securities department of Haima Automobile Group Co., Ltd. (海馬汽車集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000572.SZ), from August 2004 to June 2017 as the securities affairs representative of the group and was responsible for the company's securities related matters.

Ms. Zheng received her bachelor's degree in textile design from China Textile University (中國紡織大學) (currently known as Donghua University (東華大學)) in the PRC in July 1993. She also obtained the qualification of board secretary for the Shenzhen Stock Exchange in June 1997.

Non-executive Directors

Mr. Xu Xiaoping (徐曉平), aged 59, a non-executive Director and deputy general manager of the Company. Mr. Xu was appointed as a Director in April 2004 and was re-designated as an executive Director in February 2024, with effect from the Listing Date. He ceased to be an executive Director and a member of senior management from July 2025. He was elected as a non-executive Director in July 2025.

Mr. Xu was appointed as the chairperson of the Company in June 2012 and changed the position to vice chairperson from October 2018 to June 2022. He has been serving as deputy general manager since June 2019. He has been serving as the chairperson of the board of Suzhou Longxin since January 2003.

Mr. Xu is the father of Mr. Lu Xuyang, and the spouse of Ms. Lu Xiaohong.

Mr. Xu Yong (徐勇), aged 57, a non-executive Director of the Company. Mr. Xu Yong joined the Group in June 2004 as a deputy general manager and left in March 2005. Mr. Xu Yong rejoined the Group as a Director in May 2012 and was re-designated as a non-executive Director of the Company in February 2024. He served as a general manager from May 2012 and changed the position as the vice chairperson from October 2018 to June 2022. Mr. Xu was re-elected as a non-executive Director in July 2025. He is primarily responsible for providing strategic advice on the development of the Group. Mr. Xu Yong is the spouse of Ms. Lu Xiaohong's sister.

Mr. Xu Yong served as general manager of Suzhou Longxin from April 2005 to July 2012 and was responsible for daily management and operation of such company

Mr. Xu Yong was awarded as Senior Economist (高級經濟師) by Department of Human Resources and Social Security of Jiangsu Province (江蘇省人力資源和社會保障廳) in October 2011.

Employee Representative Director

Ms. Zheng Hong (鄭虹), aged 39, has been the assistant to the vice chairperson of the Company since June 2024. She was appointed as the employee representative Director in July 2025. Prior to that, she was the vice-president of the human resources department of the Company from June 2022 to June 2024. She worked as a procurement supervisor, general manager assistant and human resources manager at Jietai Technology from 2011 to 2019.

Ms. Zheng obtained a bachelor of arts in English with Jiangxi University of Science and Technology (江西理工大學) in June 2008.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Dr. Shen Wenzhong (沈文忠), aged 58, an independent non-executive Director of the Company. Dr. Shen joined the Group in June 2022 and has been an independent Director since then. He was re-designated as independent non-executive Director in February 2024, with effect from the Listing Date. He was re-elected as the independent non-executive Director in July 2025. He is primarily responsible for providing independent advice and judgement to the Board.

Dr. Shen has strong academic background and more than 20 years' experience in solar energy industry. Dr. Shen has been a professor and PhD tutor of Shanghai Jiao Tong University (上海交通大學) since September 1999 and has been engaged in R&D of solar energy cells. Since July 2015, Dr. Shen has been serving as a director of Shanghai Optech Science and Technology Co., Ltd. (上海歐普泰科技創業股份有限公司), a company listed on the Beijing Stock Exchange (stock code: 836414.BJ). Since June 2015, he has been serving as an independent non-executive director of GCL Technology Holdings Limited (協鑫科技控股有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 3800.HK). Since June 2023, he was an independent director of Zhejiang Bangjie Holding Group Co., Ltd. (浙江棒傑控股集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002634.SZ). Since December 2025, he has been serving as an independent director of Haitian Water Group Co., Ltd. (海天水務集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603759.SH). From July 2017 to March 2023, he was an independent director of Jolywood (Suzhou) Sunwatt Co., Ltd. (蘇州中來光伏新材股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300393.SZ). From September 2017 to June 2022, he was an independent director of Arctech Solar Holding Co., Ltd. (江蘇中信博新能源科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688408.SH).

He received his doctoral degree in Semiconductor Physics from Shanghai Institute of Technical Physics Chinese Academy of Sciences (中國科學院上海技術物理研究所) in the PRC in September 1995. Dr. Shen was awarded as Cheung Kong Scholars by Cheung Kong Scholars Programme (長江學者獎勵計劃特聘教授) by Ministry of Education of the People's Republic of China (中華人民共和國教育部) in 2000.

Dr. Mao Xiaoying (茆曉穎), aged 50, an independent non-executive Director of the Company. Dr. Mao joined the Group in November 2024 and has been an independent non-executive Director since then. She was re-designated as independent non-executive Director in February 2024, with effect from the Listing Date. She was re-elected as the independent non-executive Director in July 2025. She is primarily responsible for providing independent advice and judgement to the Board.

Since August 1997, Dr. Mao has successively served as a teaching assistant, lecturer and associate professor at Soochow University (蘇州大學), where she has been responsible for teaching and academic research. Besides, Dr. Mao has served as an independent director in various companies, including (i) Excellent Medical Technology Group Co., Ltd. (江蘇愛舍倫醫療科技集團股份有限公司), a medical device company, quoted on the NEEQ in China (NEEQ: 874105), since November 2021; (ii) Guolian Life Insurance Co., Ltd. (國聯人壽保險股份有限公司), an insurance company, since December 2021; and (iii) GoodWe Technologies Co., Ltd. (固德威技術股份有限公司), a photovoltaic inverter manufacturer, listed on the Shanghai Stock Exchange (stock code: 688390.SH), since June 2023, where she has been primarily responsible for supervising the company's operations and providing professional advice.

Dr. Mao received her bachelor's degree in accounting from Soochow University (蘇州大學) in the PRC in June 1997. She also received her master's degree in enterprise management from Soochow University (蘇州大學) in the PRC in June 2002, and subsequently received her doctoral degree in finance from Soochow University (蘇州大學) in the PRC in June 2006.

Mr. Ma Shuli (馬樹立), aged 42, an independent non-executive Director of the Company. Mr. Ma joined the Group in November 2024 and has been an independent Director since then. He was re-designated as independent non-executive Director in February 2024, with effect from the Listing Date. He was re-elected as the independent non-executive Director in July 2025. He is primarily responsible for providing independent advice and judgement to the Board.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Ma has over 15 years of experience in the legal profession. From September 2009 to May 2013, he was a lawyer at Jiangsu Liangfeng Law Firm (江蘇梁豐律師事務所). From July 2013 to March 2016, he was a lawyer at Beijing Dacheng (Suzhou) Law Offices (北京市大成(蘇州)律師事務所). From March 2016 to January 2017, he was a lawyer at Grandall (Suzhou) Law Firm (國浩(蘇州)律師事務所). Since January 2017, he has been the managing partner and a senior partner at Beijing Kangda (Suzhou) Law Firm (北京市康達(蘇州)律師事務所). Besides, Mr. Ma has served as an independent director in various companies, including (i) Poly Plastic Masterbatch (Suzhou) Co., Ltd. (蘇州寶麗迪材料科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300905.SZ) and principally engaged in the research, development, production, and sale of polymer materials, from May 2018 to April 2024, (ii) Suzhou Jiren Hi-Tech Material Co., Ltd. (蘇州吉人高新材料股份有限公司), a company listed on the NEEQ in China (NEEQ: 873611) and principally engaged in the research, production, and sale of industrial protective coatings and other advanced materials, from July 2020 to September 2023, and (iii) Jiangsu SIMAND Electric Co., Ltd. (江蘇新安電器股份有限公司), a company principally engaged in the research and development and manufacturing of intelligent controllers, from May 2022 to May 2025, where he was primarily responsible for supervising the company's operations and providing professional advice.

Mr. Ma graduated from Anhui University (安徽大學) upon successfully completing the courses for the self-taught undergraduate higher education examination majoring in English in June 2005. Mr. Ma obtained his master of laws from Nanjing Normal University (南京師範大學) in the PRC in June 2009 and further obtained his master of business administration (MBA) from Peking University (北京大學) in the PRC in June 2019. Mr. Ma has obtained his PRC legal professional qualification certificate in February 2008.

Mr. Zhang Liang (張亮), aged 43, an independent non-executive Director of the Company. Mr. Zhang was appointed as an independent non-executive Director in February 2024, with effect from the Listing Date. He was re-elected as the independent non-executive Director in July 2025. He is primarily responsible for providing independent advice and judgement to the Board.

Mr. Zhang has been served as an executive director and chief financial officer of Rainmed Medical Limited (潤邁德醫療有限公司) ("**Rainmed**"), a medical device company listed on the main board of the Stock Exchange (stock code: 2297.HK), from December 2021 to August 2024, and as joint company secretary of Rainmed since December 2021, and has been responsible for supervising the internal financial control and securities works. He also has been serving as the chief financial officer of Suzhou Rainmed Medical Technology Co., Ltd. (蘇州潤邁德醫療科技有限公司), a wholly-owned subsidiary of Rainmed since March 2021. He joined Yunnan Water Investment Co., Limited (雲南水務投資股份有限公司) ("**Yunnan Water**"), a company listed on the main board of the Stock Exchange (stock code: 6839.HK), and served as the board secretary from September 2015 to December 2016 and rejoined as the board secretary from September 2017 to February 2021. Then he served as an alternate to the authorized representative of Yunnan Water from November 2019 to November 2021, where he was responsible for compliance and acted as the channel of communication between the company and the Stock Exchange. He was the founder, chief technology officer and chief financial officer of H.C. operation capital limited (港陸資本運營有限公司), a company engaged in enterprise management consulting services, and he was responsible for project operations and quality control from October 2015 to December 2020. He was also the board secretary of Shenzhen Wangtong E-commerce Company Limited (深圳市網通電子商務有限公司) from July 2014 to June 2015, an E-commerce company. In addition, he served as the vice president and board secretary of Shenzhen Jinxin Industry Group Co., Ltd. (深圳金信實業集團有限公司), a financial affairs service company, and he was responsible for capital operation and management from May 2013 to June 2014. He was also the board secretary and deputy investment general manager of Leoch International Technology Limited (理士國際技術有限公司) (stock code: 0842.HK), a company listed on the Stock Exchange which is mainly engaged in R&D and sales of batteries, and he was responsible for the internal control and public affairs from November 2006 to May 2013.

Mr. Zhang obtained an undergraduate diploma in lawyer from Zhongnan University of Economics and Law (中南財經政法大學) in the PRC in June 2004. He further obtained his master's degree in executive business administration from Jilin University (吉林大學) in the PRC in December 2017. He was qualified as the board secretary from the Shenzhen Stock Exchange in September 2016.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

SUPERVISORS

Ms. Liu Renmei (劉忍妹), aged 30, has been a Supervisor of the Company and the chairperson of the Supervisory Committee since July 2024. She has also been serving as an assistant to president of Chuzhou Jietai since July 2023. She ceased to be a Supervisor due to the abolishment of the Supervisory Committee on July 31, 2025. She was primarily responsible for supervising and providing independent advice to the Board of the Company.

Ms. Liu received her bachelor's degree in financial engineering from West Anhui University (皖西學院) in the PRC in July 2020. She further obtained her master degree in finance from Guizhou University of Finance and Economics (貴州財經大學) in the PRC in July 2023.

Ms. Lin Caiying (林彩英), aged 59, served as a Supervisor of the Company from October 2021 to May 2022 and was re-appointed as a Supervisor in February 2024. She ceased to be a Supervisor due to the abolishment of the Supervisory Committee on July 31, 2025. She was primarily responsible for supervising and providing independent advice to the Board of the Company.

Prior to joining our Group, Ms. Lin worked at Suzhou Ruiya Accounting Firm Co., Ltd. (蘇州瑞亞會計師事務所有限公司) and Suxin United Accounting Firm (蘇州市蘇信聯合會計師事務所). She also worked at Jiangsu Xindazhong Accounting Firm Co., Ltd. (江蘇新中大會計師事務所有限公司) from December 2006 to November 2015.

Ms. Lin received her college degree in industrial enterprise management from Jiangsu Radio and Television University (江蘇廣播電視大學) (currently known as Jiangsu Open University (江蘇開放大學)) in the PRC in July 1988. Ms. Lin became a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in December 2002.

Ms. He Jialu (何佳璐), aged 41, has been a Supervisor of the Company since June 2024. She has also been appointed as officer of the administration department of Jietai Technology since December 2022. She ceased to be a Supervisor due to the abolishment of the Supervisory Committee on July 31, 2025. She is primarily responsible for supervising and providing independent advice to the Board of the Company.

Prior to joining our Group, Ms. He served as an administration manager at Shangrao Daotian Boundless Human Resources Co., Ltd. (上饒市稻田無邊人力資源有限公司), a company primarily engaged in human resources service, from January 2020 to December 2022. From 2014 to 2019, she worked at Shangrao Economic Development Zone Employment Entrepreneurship and Social Security Service Center (上饒經濟技術開發區就業創業和社會保障服務中心) (formerly known as Shangrao Human Resources and Social Security Bureau (上饒市人力資源和社會保障局)) as a staff member.

Ms. He received her bachelor's degree in music from Jiangxi Normal University (江西師範大學) in the PRC in June 2006.

SENIOR MANAGEMENT

Ms. Lu Xiaohong (陸小紅), see “– Directors – Executive Directors” in this section for details. She ceased to be a member of senior management from July 2025.

Mr. Xu Xiaoping (徐曉平), see “– Directors – Non-executive Directors” in this section for details. He ceased to be a member of senior management from July 2025.

Mr. Zhang Manliang (張滿良), see “– Directors – Executive Directors” in this section for details.

Mr. Zheng Hongwei (鄭洪偉), see “– Directors – Executive Directors” in this section for details.

Ms. Zheng Tong (鄭彤), see “– Directors – Executive Directors” in this section for details.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Huang Falian (黃發蓮), aged 49, has been the chief financial officer of the Company since June 2022. She also has been the chief financial officer and deputy general manager of Jietai Technology since June 2020 and May 2023, respectively. She voluntarily resigned as the chief financial officer of the Company due to personal work re-arrangement.

Prior to joining the Group, Ms. Huang served as the chief financial officer of HC SemiTek (Suzhou) Co., Ltd. (華燦光電(蘇州)有限公司), a subsidiary of a Shenzhen Stock Exchange listed company named HC SemiTek Corporation (華燦光電股份有限公司) (stock code: 300323.SZ), from May 2016 to June 2020. From June 2014 to May 2016, she served as the finance chief of Zhongyuan Union Stem Cell & Gene Engineering Co., Ltd. (中源協和細胞基因工程股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600645.SH) and was responsible for financial management. From November 2007 to June 2014, she served as a financial manager of Nanjing Meirui Pharma Co., Ltd. (南京美瑞製藥有限公司).

Ms. Huang received her bachelor's degree in accounting from China Coal Economics College (中國煤炭經濟學院) (currently known as Shandong Technology and Business University (山東工商學院)) in the PRC in 2000. She further obtained her master of business administration degree from Nanjing University (南京大學) in the PRC in March 2017.

Mr. Zhou Xiaohui (周小輝), aged 51, holds a master's degree. He was appointed as the chief financial officer of the Company on October 31, 2025. He is primarily responsible for overseeing the financial operation and management of the Group, formulating annual revenue goals and financial strategies of the Group, shaping investment portfolio strategies and major investment and financing decision, overseeing the internal control systems, the assessment, guidance, monitoring, controlling of the risk management system and optimizing the capital structure of the Group, ensuring the compliance of financial statements, reports and disclosures, budgeting and cost management and managing and forecasting the cash flow of the Group. Since December 2019, he has served as deputy general manager at Shangrao Jietai New Energy Technology Co., Ltd., responsible for the investment and financing operations.

Prior to joining the Group, from December 2011 to March 2016, Mr. Zhou served as financial manager at Jinko, a company listed on the Shanghai Stock Exchange (stock code: 688223.SH). From March 2016 to December 2019, he served as financial manager at Jiangxi Uniex.

Mr. Zhou received his master's degree in business administration (Executive MBA) from Fudan University (復旦大學) in the PRC in June 2025.

JOINT COMPANY SECRETARIES

Ms. Zheng Tong (鄭彤), see “– Directors – Executive Directors” in this section for details.

Ms. Yu Wing Sze (余詠詩) was appointed as the joint company secretary of the Company in January 2024 with effective from Listing Date. Ms. Yu is a manager of TMF Hong Kong Limited. She has over 15 years of working experience in company secretarial profession. Ms. Yu received a bachelor's degree of business administration from the Chinese University of Hong Kong. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

DIRECTORS' REPORT

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the Reporting Period.

GENERAL INFORMATION

The Company was a limited liability company incorporated in the PRC on April 3, 2003, which was converted into a joint stock company with limited liability on August 21, 2012. The A Shares of the Company are listed on the Shenzhen Stock Exchange (stock code: 002865.SZ) on April 25, 2017 and the H Shares of the Company are listed on the Hong Kong Stock Exchange (stock code: 2865.HK) on May 8, 2025.

PRINCIPAL ACTIVITIES

The Company is a PV cell manufacturer in mainland China which has been continuously focusing on the R&D, production, and sales of high-efficiency PV cells. The activities and particulars of the Company's principal subsidiaries are set out in Note 44 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the year ended December 31, 2025 by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report.

Save as the business development plans of the Group to expand into the space-based photovoltaic and commercial satellite sectors disclosed in the announcements of the Company dated January 21, 2026 and February 2, 2026, during the Relevant Period and up to the date of this annual report, there has been no material change in the nature of the Company's principal activities.

BUSINESS REVIEW AND RESULTS AND FUTURE DEVELOPMENT

A review of the business of the Group during the Reporting Period is provided in the section headed "Management Discussion and Analysis – Business Overview" of this annual report. An analysis of the Group's performance during the Reporting Period is provided in the section headed "Management Discussion and Analysis – Financial Review" of this annual report.

The future development in the Company's business is provided in the sections headed "Management Discussion and Analysis – Prospects for the Company's Future Development" of this annual report.

FINANCIAL STATEMENTS

The results of the Group for the Reporting Period are set out in the consolidated financial statements in this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

During the Reporting Period, the Group was subject to various principal risks. Please refer to the section headed "Management Discussion and Analysis – Risks We Face" in this annual report.

For more details of other risks and uncertainties faced by the Group, please refer to the section headed "Risk Factors" of the Prospectus.

KEY RELATIONSHIPS WITH ITS SUPPLIERS, CUSTOMERS AND EMPLOYEES

Relationship with Suppliers

With the aim of obtaining high quality supplies from reliable sources, the Company only selects suppliers from its accredited suppliers list after careful and thorough evaluation and assessment covering a range of criteria, including production capacity, quality control, innovation, technical strength, financial conditions and market reputation. In order to strengthen the business relationships and further secure sufficient supplies of the Company's quality raw materials and procurements, we may also enter into strategic cooperative agreements with key suppliers, pursuant to which we are able to determine the price based on a benchmark price by referring to the then prevailing market prices and annual price-lock arrangements. Moreover, we periodically review and adjust the locked prices through negotiations with suppliers in order to realign pricing with the latest commodity market situation. This provides greater certainty for the raw material costs and budgets amid fluctuating market dynamics.

For the year ended December 31, 2025, the Group's purchases from its five largest suppliers accounted for 64.6% (2024: 56.2%) of the Group's total purchases, and the Group's purchases from its single largest supplier accounted for 17.2% (2024: 14.5%) of the Group's total purchases.

Relationship with Customers

The Company's customers are primarily major domestic and overseas PV module manufacturers in the industry, without any distributors or wholesalers in the sales of its products during the Reporting Period.

For the year ended December 31, 2025, the Group's sales to its five largest customers accounted for 33.3% (2024: 41.5%) of the Group's total revenue, and the Group's sales to its single largest customer accounted for 8.9% (2024: 19.1%) of the Group's total revenue.

For the year ended December 31, 2025, there was no significant and material dispute between the Group and its customers and suppliers. As of the date of this annual report, all of the Group's five largest customers and suppliers during the Reporting Period were Independent Third Parties, and to the best of the knowledge of the Directors, none of the Directors, their respective associates or any Shareholder who owned more than 5% of the Company's issued share capital had any interest in any of the Group's five largest customers and suppliers.

Relationship with Employees

For details of relationships with the employees, please refer to "Employee, Training and Remuneration Policies" in this annual report and the 2025 ESG Report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in Note 15 to the consolidated financial statements in this annual report.

As of December 31, 2025, none of the Group's properties were held for development and/or sale or for investment purposes.

SHARE CAPITAL

On May 8, 2025, the Company issued 63,432,300 H Shares at the offer price of HKD22.15 per H Share by the Global Offering.

Details of movements in the share capital of the Company during the Reporting Period are set out in Note 32 to the consolidated financial statements in this annual report.

DIRECTORS' REPORT

DEBENTURES

The Group did not issue any debentures during the Reporting Period.

RETAINED PROFITS

Details of the retained profits of the Group for the year ended December 31, 2025 are set out in the consolidated statement of changes in equity to the consolidated financial statements in this annual report.

RESERVES

Details of the changes in the Group's reserves for the year ended December 31, 2025 are set out in the consolidated statement of changes in equity to the consolidated financial statements in this annual report. Details of the changes in the Company's reserves for the year ended December 31, 2025 are set out in Note 43 to the consolidated financial statements in this annual report.

DISTRIBUTABLE RESERVES

As of December 31, 2025, the Company did not have reserves available for distribution to its Shareholders.

BANK AND OTHER BORROWINGS

Details of the bank and other borrowings of the Group during the Reporting Period are set out in Note 28 to the consolidated financial statements in this annual report.

EQUITY-LINKED AGREEMENTS

Save for the Employee Incentive Schemes and as disclosed in the Prospectus and this annual report, there were no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Directors, Supervisors and senior management during the Relevant Period and up to the date of this annual report are:

Executive Directors

Mr. Lu Xuyang (陸徐揚) (*Chairperson*) (*appointed on July 31, 2025*)

Mr. Zhang Manliang (張滿良)

Mr. Zheng Hongwei (鄭洪偉)

Ms. Lu Xiaohong (陸小紅) (*resigned on July 31, 2025*)

Mr. Xu Xiaoping (徐曉平) (*resigned on July 31, 2025*)

Ms. Zheng Tong (鄭彤) (*resigned on July 31, 2025*)

Non-executive Directors

Mr. Xu Xiaoping (徐曉平) (*appointed on July 31, 2025*)

Mr. Xu Yong (徐勇)

Employee Representative Director

Ms. Zheng Hong (鄭虹) (*appointed on July 31, 2025*)

Independent Non-executive Directors

Dr. Shen Wenzhong (沈文忠)
Dr. Mao Xiaoying (茆曉穎)
Mr. Ma Shuli (馬樹立)
Mr. Zhang Liang (張亮)

Supervisors

Ms. Liu Renmei (劉忍妹) *(ceased to be a Supervisor on July 31, 2025)*
Ms. Lin Caiying (林彩英) *(ceased to be a Supervisor on July 31, 2025)*
Ms. He Jialu (何佳璐) *(ceased to be a Supervisor on July 31, 2025)*

Senior Management

Mr. Zhang Manliang (張滿良)
Mr. Zheng Hongwei (鄭洪偉)
Ms. Zheng Tong (鄭彤)
Mr. Zhou Xiaohui (周小輝)
Ms. Lu Xiaohong (陸小紅) *(resigned on July 31, 2025)*
Mr. Xu Xiaoping (徐曉平) *(resigned on July 31, 2025)*
Ms. Huang Falian (黃發連) *(resigned on October 30, 2025)*

Biographical details of Directors, Supervisors and senior management are set out in “Directors, Supervisors and Senior Management” of this annual report.

CHANGES TO THE INFORMATION OF DIRECTORS

Reference is made to the announcements of the Company dated June 30, 2025 and July 31, 2025 and the circular of the Company dated July 15, 2025, with effect from July 31, 2025, that (i) Ms. Lu Xiaohong voluntarily resigned as an executive Director and chairperson of the Board in order to devote more time to her other personal commitments; and Mr. Lu Xuyang was appointed as an executive Director and chairperson of the Board; (ii) Ms. Zheng Tong voluntarily resigned as an executive Director in order to devote more time on her position as the joint company secretary of the Company; (iii) Mr. Xu Xiaoping voluntarily resigned as an executive Director and was appointed as a non-executive Director; and (iv) Ms. Zheng Hong was appointed as an employee representative Director.

Each of the newly appointed Directors has obtained the legal advice on July 23, 2025 pursuant to Rule 3.09D of the Hong Kong Listing Rules before his/her appointment becomes effective. Each of the newly appointed Directors has confirmed that he/she understood his/her obligations as a director of the Group.

With effect from July 31, 2025, (i) Mr. Zhang Liang was appointed as a member and Dr. Mao Xiaoying ceased to be a member of the Remuneration and Appraisal Committee; (ii) Dr. Mao Xiaoying was appointed as a member and Mr. Zhang Liang ceased to be a member of the Nomination Committee; (iii) Mr. Lu Xuyang was appointed as the chairperson and a member and Ms. Lu Xiaohong ceased to be the chairperson and a member of the Strategy Committee; and (iv) Ms. Zheng Hong was appointed as a member and Ms. Zheng Tong ceased to be a member of the ESG Committee.

Save as disclosed above, there was no change to information which are required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Hong Kong Listing Rules during the Relevant Period.

DIRECTORS' REPORT

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the Directors who was appointed on or before the Listing Date has entered into a service contract or an appointment letter with the Company, under which they agreed to act as Directors for an initial term of three years commencing from the Listing Date, subject to retirement and re-election in accordance with the Articles of Association. Each of the Directors appointed after the Listing Date has entered into a service contract with the Company, under which they agreed to act as Directors for an initial term of three years commencing from July 31, 2025, subject to retirement and re-election in accordance with the Articles of Association. The service contracts or letters of appointment may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract with any member of the Group, other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

DIRECTORS' INTEREST IN COMPETING BUSINESS

To the best knowledge of the Directors, as of the date of this annual report, none of the Directors (including Directors newly appointed after Listing) and their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly with the Group's business which would require disclosure under Rule 8.10 of the Hong Kong Listing Rules.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received a confirmation of independence pursuant to Rule 3.13 of the Hong Kong Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent during the Relevant Period.

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACT OF SIGNIFICANCE

None of the Directors, Supervisors or their respective connected entities (as defined in the Hong Kong Listing Rules) had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group subsisting during or at the end of the Reporting Period to which the Company or any of its subsidiaries was a party.

During the Reporting Period, the Group has not entered into any contract of significance with the Single Largest Group of Shareholders or any of their respective close associates.

MANAGEMENT CONTRACTS

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

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals are set out in Note 12 to the consolidated financial statements.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors or other individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

EMPLOYEE, TRAINING AND REMUNERATION POLICIES

As of December 31, 2025, the Group had 2,712 employees, as compared with 3,163 employees as of December 31, 2024. Total staff costs (including Directors, chief executives and Supervisors), including but not limited to wages, salaries and bonuses, retirement benefit expense, social security costs, housing benefits and other employee benefits, were RMB539.9 million for the year ended December 31, 2025, representing a decrease of approximately 33.5% from RMB811.3 million for the year ended December 31, 2024. Such decrease was primarily due to reduced personnel.

The remuneration of employees was based on their performance, skills, knowledge, experience and market benchmark. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. The Company has established the Remuneration and Appraisal Committee to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management. In addition to basic salaries, employees may be offered with discretionary bonus, cash awards and share awards based on individual performance.

Non-independent Directors who do not hold any position in the Company shall not receive any remunerations or allowances for their Directorship. Non-independent Directors who concurrently serve as senior management or hold other positions in the Company shall receive remunerations according to their respective posts or roles, and shall not receive additional Directors' fees; however, those who serve as the legal representative of the Company and play a key and decisive role in driving the implementation of the Company's development strategies and major decisions may be granted performance rewards. The allowance for independent non-executive Directors is RMB120,000 per year, payable monthly, and they do not participate in the Company's internal performance appraisal linked to remuneration. Employee representative Director is also entitled to an allowance of RMB120,000 per year, and shall receive additional remunerations corresponding to her concurrent senior management or other positions.

The Group emphasizes employee diversity, including but not limited to gender, age, educational background, socio-economic background, work experience, etc. The Group provides an inclusive work environment that embraces diversity such as the strengths of individuals, and seeks to provide opportunities to unleash their full potential. The Group believes that employees are an important driver of the corporate development. As an equal employment opportunity employer, the Group also focuses on embracing diversity within the organization and equal and respectful treatment of all of the employees in their hiring, training, wellness and professional and personal development. As of December 31, 2025, among the above 2,712 employees (including senior management), approximately 75.8% were male and 24.2% were female. The Company recognizes the benefits of having diverse employees and maintains and promotes employee diversification (especially gender diversification) whenever practicable.

The Group provides training periodically and across operational functions, including introductory training for new employees, technical training, product training, management training and work safety training, with a view to fostering the basic skills of new employees to perform their duties and improving the relevant skills of the existing employees as well.

DIRECTORS' REPORT

The Group believes it has maintained good relationships with its employees. As of the date of this annual report, the Group did not experience any strikes or any labour disputes with its employees which have had or are likely to have a material effect on its business.

The employees of the Group typically enter into standard employment contracts with the Group. In compliance with PRC regulations, the Group participates in various employee social insurance plans that are organized by applicable local municipal and provincial governments, including maternity, pension, medical, work-related injury and unemployment benefit plans, as well as housing provident funds. The Group is required under PRC laws to make contributions to employee benefit plans.

To improve the Group's incentive mechanism and incentivize the Group's management and key employees to achieve a sustained and healthy development of the Group, the Company's Employee Incentive Schemes, under which an aggregate of 14,030,500 A Shares were granted as awards to Eligible Participants (as defined in the Prospectus) at the determination of the Board. The Employee Incentive Schemes are implemented to align the interests of the Shareholders with the interests of the Group and employees which will benefit the sustained development of the Group. For details, please refer to the section headed "Employee Incentive Schemes" in this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is subject to various PRC laws, rules and regulations with regard to environmental matters, including wastewater discharge, exhaust gas emissions, noise control, solid waste disposal and hazardous waste management. The Group has implemented internal policies and procedures concerning environmental protection and engaged qualified service providers to dispose of hazardous waste and other industrial by-products.

During the Reporting Period, the businesses of the Group was in compliance with all the relevant laws and regulations with regard to environmental protection in all material aspects. The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment, giving back to the community and achieving sustainable growth.

For more details, please refer to the 2025 ESG Report prepared in accordance with Appendix C2 of the Hong Kong Listing Rules.

THE GROUP'S SUBSIDIARIES

A summary of the corporate information and the particulars of the Group's principal subsidiaries are set out in Note 44 to the consolidated financial statements.

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

As of December 31, 2025, to the best knowledge of the Directors, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of the Company's associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be 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); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director, or chief executive	Nature of interest	Class	Number of Shares	Approximate percentage of shareholding in the relevant class of shares of the Company ⁽¹⁾	Approximate percentage of shareholding in the total share capital of the Company ⁽¹⁾
Mr. Lu Xuyang (陸徐揚) ⁽²⁾	Interest in persons acting in concert	A Shares	51,803,865	22.61%	17.71%
Mr. Xu Xiaoping (徐曉平) ⁽²⁾	Interest in persons acting in concert	A Shares	51,803,865	22.61%	17.71%
Mr. Xu Yong (徐勇) ⁽²⁾	Interest in persons acting in concert	A Shares	51,803,865	22.61%	17.71%
Mr. Zhang Manliang (張滿良) ⁽³⁾	Beneficial owner	A Shares	184,546	0.08%	0.06%
	Interests in underlying Shares pursuant to share options	A Shares	127,504	0.06%	0.04%
Mr. Zheng Hongwei (鄭洪偉) ⁽³⁾	Beneficial owner	A Shares	167,770	0.07%	0.06%
	Interests in underlying Shares pursuant to share options	A Shares	125,826	0.05%	0.04%
Ms. Zheng Hong (鄭虹)	Beneficial owner	A Shares	4,200	0.00%	0.00%

Notes:

- (1) The calculation is based on the total number of 229,151,752 A Shares in issue and 63,432,300 H Shares in issue as of December 31, 2025.
- (2) As of December 31, 2025, 80% equity interest of Hainan Jindi was owned by Yang Family Investment which was controlled by Yang Family pursuant to the Acting-in-Concert Agreement. Mr. Xu Xiaoping (徐曉平) ("Mr. Xu") is the spouse of Ms. Lu Xiaohong (陸小紅) ("Ms. Lu"). Mr. Xu Yong (徐勇) is the spouse of Ms. Lu's sister. As such, Mr. Xu and Mr. Xu Yong (徐勇) were deemed to be interested in the 46,517,062 A Shares held by Hainan Jindi and 5,286,803 A Shares held by Ms. Lu.
- (3) Mr. Zhang Manliang (張滿良) and Mr. Zheng Hongwei (鄭洪偉) were entitled to receive certain numbers of A Shares pursuant to the exercise of options granted to him under the Employee Incentive Schemes, subject to the terms and conditions of these options. For details, please refer to the section headed "Employee Incentive Schemes" in this annual report.

DIRECTORS' REPORT

Save as disclosed above, as of December 31, 2025, so far as the Directors are aware, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be 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); or which would be required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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

As of December 31, 2025, to the best of knowledge of the Directors, the following persons, other than Directors or chief executive of the Company, had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Shareholder	Nature of interest	Class	Number of Shares	Approximate percentage of shareholding in the relevant class of shares of the Company ⁽¹⁾	Approximate percentage of shareholding in the total share capital of the Company ⁽¹⁾
Ms. Lu Xiaohong (陸小紅) ⁽²⁾	Beneficial owner	A Shares	5,286,803	2.31%	1.81%
	Interest in controlled corporations	A Shares	46,517,062	20.30%	15.90%
Hainan Jindi ⁽²⁾	Beneficial owner	A Shares	46,517,062	20.30%	15.90%
Yang Family Investment ⁽²⁾	Interest of controlled corporation	A Shares	46,517,062	20.30%	15.90%
Mr. Yang Renyuan (楊仁元) ⁽²⁾	Interest in persons acting in concert	A Shares	51,803,865	22.61%	17.71%
Ms. Lu Huifen (陸惠芬) ⁽²⁾	Interest in persons acting in concert	A Shares	51,803,865	22.61%	17.71%
Mr. Xu Weidong (徐衛東) ⁽²⁾	Interest in persons acting in concert	A Shares	51,803,865	22.61%	17.71%
Ms. Lu Yuhong (陸玉紅) ⁽²⁾	Interest in persons acting in concert	A Shares	51,803,865	22.61%	17.71%
Ms. Lu Xiaowen (陸小文) ⁽²⁾	Interest in persons acting in concert	A Shares	51,803,865	22.61%	17.71%
Shangrao Economic and Technological Development Zone Industrial Development Investment Co., Ltd. (上饒經濟技術開發區產業發展投資有限公司) ("Shangrao Development Zone") ⁽³⁾	Beneficial owner	A Shares	22,244,267	9.71%	7.60%

DIRECTORS' REPORT

Shareholder	Nature of interest	Class	Number of Shares	Approximate percentage of shareholding in the relevant class of shares of the Company ⁽¹⁾	Approximate percentage of shareholding in the total share capital of the Company ⁽¹⁾
Shangrao Economic Development Zone Talent Attraction Group Co., Ltd. (上饒經開區招才引資集團有限公司) (“ Shangrao Talent ”) ⁽³⁾	Interest in controlled corporations	A Shares	22,244,267	9.71%	7.60%
Shangrao Economic and Technological Development Zone Management Committee (上饒經濟技術開發區管理委員會) (“ Development Zone Committee ”) ⁽³⁾	Interest in controlled corporations	A Shares	22,244,267	9.71%	7.60%

Notes:

- (1) The calculation is based on the total number of 229,151,752 A Shares in issue and 63,432,300 H Shares in issue as of December 31, 2025.
- (2) As of December 31, 2025, 80% equity interest of Hainan Jindi was owned by Yang Family Investment which was controlled by Yang Family pursuant to the Acting-in-Concert Agreement.

Mr. Yang Renyuan (楊仁元) is the father of Ms. Lu Xiaohong (陸小紅) (“**Ms. Lu**”). Ms. Lu Huifen (陸惠芬) is the mother of Ms. Lu. Ms. Lu Yuhong (陸玉紅) and Ms. Lu Xiaowen (陸小文) are the sisters of Ms. Lu. Mr. Xu Yong (徐勇) is the spouse of Ms. Lu Xiaowen (陸小文). Mr. Xu Weidong (徐衛東) is the spouse of Ms. Lu Yuhong (陸玉紅).

As such, each of Hainan Jindi, Yang Family Investment, Mr. Yang Renyuan (楊仁元), Ms. Lu Huifen (陸惠芬), Ms. Lu Yuhong (陸玉紅), Ms. Lu Xiaowen (陸小文), Mr. Xu Weidong (徐衛東) and Mr. Xu Yong (徐勇) were deemed to be interested in the 46,517,062 A Shares held by Hainan Jindi and 5,286,803 A Shares held by Ms. Lu.

As of December 31, 2025, to secure the obligations under certain financial loans provided by certain commercial banks to Yang Family’s business other than the Group, Hainan Jindi pledged 15,834,325 A Shares in the Company in favour of respective commercial banks (the “**Share Pledge**”). The Share Pledge will be released upon the repayment of relevant financial loans. The Company has obtained an undertaking from Hainan Jindi and Yang Family Investment to repay the relevant financial loans in the event that the lendee is unable to repay.

Ms. Lu Huifen (陸惠芬) passed away in 2025, and the Yang Family Investment has not yet undergone the industrial and commercial change registration.

- (3) As of December 31, 2025, 60% equity interest of Shangrao Development Zone was owned by Shangrao Talent, which was a wholly-owned subsidiary of Development Zone Committee. The remaining 40% equity interests in Shangrao Development Zone were held by several other wholly-owned subsidiaries of Development Zone Committee. As such, each of Shangrao Talent and Development Zone Committee was deemed to be interested in the 22,244,267 A Shares held by Shangrao Development Zone.

DIRECTORS' REPORT

Save as disclosed above, as of December 31, 2025, the Directors and the chief executive of the Company are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be required to be recorded in the register to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the Employee Incentive Schemes as disclosed in the section headed "Employee Incentive Schemes" of this annual report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

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

During the Reporting Period, except for the Global Offering, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including sales of treasury shares) of the Company in both the Hong Kong Stock Exchange and Shenzhen Stock Exchange. As of December 31, 2025 and up to the date of this annual report, the Company did not hold any H Shares as treasury shares (as defined in the Hong Kong Listing Rules).

SIGNIFICANT INVESTMENT, ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The financial assets that the Group invested include investments in wealth management products (mainly structured deposits). All such wealth management products are short-term, open-ended and redeemable, and as of December 31, 2025, have been held by the Group for less than one year. As of December 31, 2025, the Group's wealth management products amounted to RMB629.9 million, constituting 3.8% of the Group's total assets. As of December 31, 2025, there were no outstanding wealth management products (in aggregate) subscribed from any single licensed bank that exceed 5% of the Group's total assets.

As disclosed in the announcement of the Company dated July 10, 2025, the Company and its wholly-owned subsidiaries, Chuzhou Jietai and Huai'an Jietai, without using the proceeds from the Global Offering, used their idle fund to subscribe for a series of wealth management products issued by Industrial Bank. Given that certain subscriptions were made while previous subscriptions from the same bank remained outstanding, these transactions were aggregated in accordance with Rule 14.22 of the Hong Kong Listing Rules. On an aggregated basis, five relevant subscription transactions each exceeded 5% but were less than 25% under the applicable percentage ratio and thus constituted discloseable transactions of the Company. Save for the subscriptions of the wealth management products from Industrial Bank announced by the Company on July 10, 2025, the wealth management products subscribed by the Group during the Reporting Period did not constitute notifiable transactions under Chapter 14 of the Hong Kong Listing Rules.

The Directors are of the view that the subscriptions of wealth management products will enhance capital efficiency and maximize the return from the working capital of the Group. The Directors consider that (i) the risk associated with the wealth management products is relatively low; (ii) the subscriptions of wealth management products can offer a better return than the prevailing fixed-term deposit interest rates generally offered by commercial banks in the PRC; and (iii) the subscriptions of wealth management products have no material impact on the operations and working capital of the Group, the Board is of the view that the terms of the subscriptions of wealth management products are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. The Group has implemented adequate measures to monitor and manage the performance of the wealth management products closely and effectively and will continue to review and assess the impact of the subscriptions of wealth management products to the operation and working capital of the Group.

Save as disclosed above, there was no significant investment (including any investment in an investee company with a value of 5% or more of the Company's total assets as of December 31, 2025), material acquisition and disposal of subsidiaries, associates and joint ventures by the Group during the Reporting Period. In addition, save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the Prospectus and business development plans by using the proceeds from Placing as disclosed in the announcements of the Company dated January 21, 2026 and February 2, 2026, there were no specific plan authorized by the Board for other material investments or acquisition of capital assets as of the date of this annual report. However, the Group will continue to identify new opportunities for business development.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the Main Board of the Hong Kong Stock Exchange on May 8, 2025. The net proceeds from the Global Offering amounted to approximately HKD1,291.67 million. The issue price per H share and the net price per H Share offered under the Global Offering were HK\$22.15 and approximately HK\$20.36, respectively.

The Company intends to use the net proceeds in the same manner and proportion as set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus and there has been no change in the intended use of the net proceeds and the expected timeline. The following table sets forth the status of the use of the net proceeds from the Global Offering as of December 31, 2025:

Intended use of net proceeds	Percentage of intended use of net proceeds (%)	Net proceeds ⁽¹⁾ from the Global Offering (In HKD millions)	Amount utilized as of December 31, 2025 (In HKD millions)	Amount unutilized as of December 31, 2025 (In HKD millions)	Expected timeline of full utilization of the net proceeds
Construction of Overseas Plant	75.0	968.75	5.88	962.87	By December 31, 2026
R&D of advanced technologies	8.0	103.33	103.33	--	--
Establishment and enhancement of overseas sales operation and distribution channels	7.0	90.42	29.06	61.36	By December 31, 2027
Working capital and general corporate purposes	10.0	129.17	129.17	--	--
Total	100.0	1,291.67	267.44	1,024.23	

Note:

(1) The figures in the table are approximate figures.

The current expected timeframe for utilizing the remaining unused net proceeds in full are based on the best estimation by the Directors barring any unforeseen circumstances and may be subject to change based on the Group's operating conditions and prevailing and future development of market conditions. The Directors will assess the plans for the use of the unutilized net proceeds on an ongoing basis and may revise or modify such plans where necessary to respond to the changing market conditions with a view to promoting a better growth and development of the Group. The Group will continue to evaluate the use of the unutilized net proceeds cautiously and monitor the market conditions closely to adjust the use of the unutilized net proceeds from the fund raising activities by the Group where necessary for the long-term development of the Group. The Company will make appropriate announcement(s) in due course in accordance with and if required under the Hong Kong Listing Rules should there be any material change in the intended use of the unutilized net proceeds.

DIRECTORS' REPORT

LICENCES, REGULATORY APPROVALS AND COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Group has duly obtained licenses, permits and approvals from relevant government authorities that are material to its business operations in Mainland China. During the Reporting Period, the Group did not commit any material non-compliance of the laws and regulations, and did not experience any non-compliance incident, which taken as a whole, in the opinion of the Directors, is likely to have a material and adverse effect on the Group's business, financial condition or results of operations.

Details of the Group's compliance with relevant laws and regulations have been disclosed in the ESG Report for the Reporting Period.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the Reporting Period. The Directors are also not aware of any material litigation or claims that were pending or threatened against the Group during the Reporting Period.

RELATED PARTY TRANSACTIONS

Related party transactions of the Company for the year ended December 31, 2025 are set out in Note 41 to the consolidated financial statements. The Company confirms that each of the related party transactions disclosed under the accounting standards for preparing the financial statements does not constitute a connected transaction or a continuing connected transaction under Chapter 14A of the Hong Kong Listing Rules. The Company also confirms that the disclosure requirements in accordance with Chapter 14A of the Hong Kong Listing Rules has been complied with during the Reporting Period.

During the Reporting Period, the Company had no connected transactions or continuing connected transactions which were required to be disclosed pursuant to Chapter 14A of the Hong Kong Listing Rules.

ANNUAL GENERAL MEETING

The AGM will be held on Wednesday, May 27, 2026. A notice convening the AGM will be published on the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.jietaisolar.com) in accordance with the requirement of the Hong Kong Listing Rules in due course.

FINAL DIVIDEND

The Board does not recommend payment of any final dividend for the year ended December 31, 2025.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Friday, May 22, 2026 to Wednesday, May 27, 2026, both days inclusive, during which period no transfer of Shares will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be Wednesday, May 27, 2026.

In order to be eligible to attend and vote at the AGM, all Share transfer documents accompanied by the corresponding share certificates must be lodged with the Company's 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 no later than 4:30 p.m. (Hong Kong time) on Thursday, May 21, 2026.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association that would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities. If any of the Shareholders is unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, he or she is advised to consult an expert.

PERMITTED INDEMNITY PROVISION

In accordance with the Articles of Association, the Directors and other officers shall be indemnified out of the assets of the Company against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own actual fraud or wilful default. Such provisions were in force throughout the Reporting Period and are currently in force.

The Company has maintained directors' liability insurance to protect the Directors of the Company against any potential losses arising from his/her actual or alleged misconduct during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

Rule 19A.28B(2) of the Hong Kong Listing Rules requires that for a PRC issuer with other listed shares, 5% of the total number of issued shares in the class to which the listed H Shares belong (excluding treasury Shares) must be held by the public.

As of December 31, 2025, the Company had 229,151,752 A Shares (including 1,736,176 treasury Shares) and 63,432,300 H Shares in issue. Both A Shares and H Shares are ordinary Shares in the share capital of the Company. As of December 31, 2025, based on information that is publicly available to the Company and within the knowledge of its Directors, 63,432,300 H Shares counted toward the Company's public float, representing approximately 21.8% of the total issued Shares (excluding treasury Shares) were held by the public. As a result, during the Relevant Period, the applicable public float requirement has been complied with.

AUDIT COMMITTEE

As of the date of this annual report, the Audit Committee comprises three independent non-executive Directors, namely Dr. Mao Xiaoying, Mr. Xu Yong and Mr. Ma Shuli. Dr. Mao Xiaoying is the chairperson of the Audit Committee who possesses appropriate professional qualifications as required by Rules 3.10(2) and 3.21 of the Hong Kong Listing Rules. The Audit Committee has reviewed the annual results of the Group for the year ended December 31, 2025 and has recommended for the Board's approval thereof.

The Audit Committee has reviewed, together with the Company's management, the accounting principles and policies adopted by the Group and discussed matters in relation to risk management, internal control and financial reporting, including a review of the consolidated financial statements of the Group for the year ended December 31, 2025. The Audit Committee considered that the annual results of the Group are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

DIRECTORS' REPORT

AUDITORS

During the year ended December 31, 2025, the Company re-appointed Zhonghui Certified Public Accountants (Special General Partnership) (中匯會計師事務所(特殊普通合夥)) as its domestic auditor, and appointed Messrs. Deloitte Touche Tohmatsu as its overseas auditor for the year ended December 31, 2025. The Company has not changed its auditors since the Listing Date.

Messrs. Deloitte Touche Tohmatsu has audited the consolidated financial statements for the year ended December 31, 2025, which were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. Messrs. Deloitte Touche Tohmatsu was the reporting accountants during the period of the application of Listing.

FINANCIAL SUMMARY

A summary of the Group's financial results, assets and liabilities for the last four financial years are set out on page 155 of this annual report. This summary does not form part of the audited consolidated financial statements.

NON-COMPETITION

Each of the Single Largest Group of Shareholders and Directors confirms that he/she/it or his/her/its respective close associates do not have any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with the Group's business, which would require disclosure under Rule 8.10 of the Hong Kong Listing Rules.

CORPORATE GOVERNANCE

Details of the corporate governance of the Group are set out in the section headed "Corporate Governance Report" in this annual report.

EMPLOYEE INCENTIVE SCHEMES

To improve the Group's incentive mechanism and incentivize the Group's management and key employees to achieve a sustained and healthy development of the Group, the Company's Employee Incentive Schemes, under which an aggregate of 14,030,500 A Shares were granted as awards to Eligible Participants (as defined below) at the determination of the Board. The Employee Incentive Schemes are implemented to align the interests of the Shareholders with the interests of the Group and employees which will benefit the sustained development of the Group. Given no further share options will be granted under the Employees Incentive Schemes after the Global Offering, the terms of the Employee Incentive Schemes are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules.

(i) **Eligible Participants**

The participants of the Employee Incentive Schemes include Directors, members of senior management, mid-level management and key personnels ("**Eligible Participants**"). The scope of participants excludes independent Directors, Supervisors and Shareholders or actual controller who individually or collectively hold 5% or more of the shares of the Company and their spouse, parents and children.

(ii) **Maximum number of options**

The shares underlying the options to be granted under the Employee Incentive Schemes are A Shares to be issued by the Company to the selected participants. Each option granted represents the right to purchase one A Share within the exercise period at the exercise price. The maximum number of options that can be granted under each of the Employee Incentive Schemes are as follows:

Employee Incentive Schemes	Maximum number of options under the schemes (without taking into account the adjustment pursuant to the Dividends Distributions)
Employee Incentive Scheme 2021	3,305,000
Employee Incentive Scheme 2022	2,853,000
Employee Incentive Scheme 2023-A	3,642,500
Employee Incentive Scheme 2023-B	4,230,000

Under each of the Employee Incentive Schemes, the maximum entitlement of each Eligible Participant shall not exceed 1% of the Company's issued A Shares (excluding treasury shares) at the time of grant.

(iii) **Date of grant and duration of the incentive plan**

The date on which the options are granted shall be a trading day determined by the Board within 60 days after the date of approval of the Employee Incentive Schemes by the Shareholders' meeting. The grant of options shall be approved by the Board, registered and announced within 60 days after the approval of the Employee Incentive Schemes by the Shareholders' meeting.

The Employee Incentive Schemes shall be valid commencing from the date of the first grant of the options to all options been exercised or cancelled for a term of between 48 to 72 months. As of December 31, 2025, the Employee Incentive Scheme 2021 and the Employee Incentive Scheme 2022 have expired, while the Employee Incentive Scheme 2023-A and the Employee Incentive Scheme 2023-B have approximately one year of remaining life each.



DIRECTORS' REPORT

(iv) Conditions to the grant of options

The options under the Employee Incentive Schemes will only be granted to selected participants if the following conditions are fulfilled:

- (a) with respect to the Company, none of the following circumstances having occurred:
 - (1) An audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the Company's accountant's report for the most recent fiscal year;
 - (2) An audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control report contained in accountant's report for the most recent fiscal year;
 - (3) The Company has not distributed dividends in accordance with the laws and regulations, the Articles of Association or the public commitment within the last 36 months after its listing;
 - (4) Applicable laws and regulations prohibit the implementation of any share incentive scheme; or
 - (5) Any other circumstances determined by the CSRC.
- (b) with respect to a grantee, none of the following circumstances having occurred:
 - (1) The grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months;
 - (2) The grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months;
 - (3) The grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office within the last 12 months;
 - (4) The grantee is not qualified to serve as a director or senior management according to the PRC Company Law;
 - (5) The grantee is prohibited from participating in any incentive plan of listed companies according to applicable laws and regulations; or
 - (6) Any other circumstances determined by the CSRC.

No consideration is payable by the grantees for the grants of the options.

(v) Exercise of options

Options may be exercised by a grantee provided that (a) the conditions set out under paragraph (iv) above are fulfilled at the time of exercise of options; and (b) the annual assessment and performance targets as set out under the Employee Incentive Schemes are achieved.

The exercise price for the option to be granted under each Employee Incentive Schemes shall be either (i) no less than 80% (75% for Employee Incentive Scheme 2023-A) of the higher of (a) the average trading price of the Shares in the trading day before the announcement of the draft plan; and (b) the average trading price of the Shares during 120 trading days (20 trading days for Employee Incentive Scheme 2023-B) before the announcement of the draft plan; (ii) RMB60.92 (without taking into account the adjustment pursuant to the Dividends Distributions); (iii) RMB148.41 (without taking into account the adjustment pursuant to the Dividends Distributions); or (iv) no less than 80% of the higher of (a) average trading price of the Shares in the trading day before the announcement of the Board resolution for the granting of options; and (b) one of the average trading price of the Shares during 20, 60 or 120 trading days before the announcement of the Board resolution for the granting of options. The number of options granted and the exercise prices will be adjusted upon the occurrence of certain events, including increase in the share capital by way of capitalization of capital reserves, issue of bonus shares, subdivision of shares and issue of new shares.

The exercise schedule of the options granted are either:

- (a) exercisable in tranches of 30% or 40% in each of the three exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant;
- (b) exercisable in tranches of 50% in each of the two exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 36-month anniversary of the date of grant; or
- (c) exercisable in tranches of 50% in each of the two exercise periods that occur between the first trading date after the 48-month anniversary from the date of grant and the last trading day up to the 72-month anniversary of the date of grant.

The grantees must exercise their options within the validity period of the respective options. Upon the expiry of the validity period, options granted but not exercised will cease to be exercisable and shall be cancelled by the Company.

(vi) Outstanding options

As of December 31, 2025, the number of A Shares underlying the outstanding options granted under the Employee Incentive Schemes amounting to 1,240,939 A Shares (which are subject to potential cancellation upon approval by the Board and the Shareholders) was held by 160 grantees. As of December 31, 2025, the number of A Shares underlying such outstanding options represents approximately 0.43% of the Company's total issued shares (including both 227,415,576 A Shares (excluding treasury Shares) and 63,432,300 H Shares). As of the date of this annual report, assuming full exercise of all outstanding options granted under the Employee Incentive Schemes, the issued shareholding of the Shareholders will be diluted by approximately 0.40%.

DIRECTORS' REPORT

During the Reporting Period, the Company did not grant any options under the Employee Incentive Schemes and pursuant to the Employee Incentive Schemes, no other option would be granted. Hence, the number of options available for grant under the scheme mandate at the beginning and the end of the Reporting Period are both zero. As no options were granted during the Reporting Period, thus, the number of Shares that may be issued in respect of options granted under all schemes of the Company during the Reporting Period divided by the weighted average number of shares of the relevant class in issue (excluding treasury shares) for the Reporting Period is not available. Further details of the Employee Incentive Schemes are set out in the sections headed “Statutory and General Information – Employee Incentive Schemes” in Appendix VI in the Prospectus.

Details of the number of underlying A Shares of the outstanding options granted to the Directors, members of senior management and/or connected persons, five highest paid individuals and other employees of the Company under the Employee Incentive Schemes during the year ended December 31, 2025 are set out below:

Name of the grantees	Position	Number of A Shares underlying the outstanding options granted as of			Number of A Shares underlying the outstanding options granted as of			Exercise price (RMB per Share)	Vesting period	Exercise period	Approximate % of issued Shares of the Company as of December 31, 2025 ^(B)	
		January 1, 2025 ^(A)	Options granted during the Reporting Period	Date of grant	Options exercised during the Reporting Period	Options cancelled during the Reporting Period	Options lapsed during the Reporting Period					December 31, 2025
Directors, members of senior management and/or connected persons												
Mr. Zhang Manliang (張滿良)	Executive	123,031	-	December 6, 2021	-	123,031	-	-	27.72 ^(A)	See Note (1)	See Note (1)	-
	Director and general manager	279,616	-	June 13, 2022	-	279,616	-	-	42.40 ^(B)	See Note (2)	See Note (2)	-
		318,762	-	February 2, 2023	-	191,258	-	127,504	104.98 ^(C)	See Note (4)	See Note (4)	0.04
Mr. Zheng Hongwei (鄭洪偉)	Executive	111,846	-	December 6, 2021	-	111,846	-	-	27.72 ^(A)	See Note (1)	See Note (1)	-
	Director and deputy general manager	314,568	-	February 2, 2023	-	188,742	-	125,826	104.98 ^(C)	See Note (4)	See Note (4)	0.04
Subtotal		1,147,823	-		-	894,493	-	253,330				0.09

DIRECTORS' REPORT

Name of the grantees	Position	Number of A Shares underlying the outstanding options granted during the Reporting Period			Number of A Shares underlying the outstanding options granted during the Reporting Period			Exercise price (RMB per Share)	Vesting period	Exercise period	Approximate % of issued Shares of the Company as of December 31, 2025 ^(B)	
		as of January 1, 2025 ^(A)	Options granted during the Reporting Period	Date of grant	Options exercised during the Reporting Period	Options cancelled during the Reporting Period	Options lapsed during the Reporting Period					as of December 31, 2025
Five highest paid individuals												
		67,108	-	December 6, 2021	-	67,108	-	-	27.72 ^(A)	See Note (1)	See Note (1)	-
		117,438	-	June 13, 2022	-	117,438	-	-	42.40 ^(B)	See Note (3)	See Note (3)	-
		224,112	-	July 15, 2022	-	224,112	-	-	62.88 ^(A)	See Note (1)	See Note (1)	-
		55,923	-	January 16, 2023	-	55,923	-	-	42.40 ^(B)	See Note (3)	See Note (3)	-
		13,980	-	May 23, 2023	-	13,980	-	-	42.40 ^(B)	See Note (3)	See Note (3)	-
		67,080	-	October 13, 2023	-	67,080	-	-	74.24 ^(D)	See Note (5)	See Note (5)	-
Subtotal		545,641	-		-	545,641	-	-				-
Other employees of the Company												
		943,430	-	December 6, 2021	-	943,430	-	-	27.72 ^(A)	See Note (1)	See Note (1)	-
		719,597	-	June 13, 2022	-	719,597	-	-	42.40 ^(B)	See Note (3)	See Note (3)	-
		215,304	-	July 15, 2022	-	215,304	-	-	62.88 ^(A)	See Note (1)	See Note (1)	-
		171,610	-	January 16, 2023	-	171,610	-	-	42.40 ^(B)	See Note (3)	See Note (3)	-
		1,788,697	-	February 2, 2023	-	1,122,988	-	665,709	104.98 ^(C)	See Note (4)	See Note (4)	0.23
		87,729	-	May 23, 2023	-	87,729	-	-	42.40 ^(B)	See Note (3)	See Note (3)	-
		2,126,100	-	October 13, 2023	-	2,126,100	-	-	74.24 ^(D)	See Note (5)	See Note (5)	-
		830,400	-	March 15, 2024	-	508,500	-	321,900	59.48 ^(D)	See Note (5)	See Note (5)	0.11
Total		8,576,331	-		-	7,335,392	-	1,240,939				0.43

(A) Employee Incentive Scheme 2021

(B) Employee Incentive Scheme 2022

(C) Employee Incentive Scheme 2023-A

(D) Employee Incentive Scheme 2023-B

DIRECTORS' REPORT

Notes:

- (1) 30%, 30% and 40% of the share options granted under the Employee Incentive Scheme 2021 will vest in each of the three exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant, respectively.
- (2) 50% and 50% of the share options granted to Mr. Zhang Manliang (張滿良) under the Employee Incentive Scheme 2022 will vest in each of the two exercise periods that occur between the first trading date after the 48-month anniversary from the date of grant and the last trading day up to the 72-month anniversary of the date of grant, respectively.
- (3) 30%, 30% and 40% of the share options granted under the Employee Incentive Scheme 2022 on June 13, 2022 will vest in each of the three exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant, respectively. 50% and 50% of the share options granted under the Employee Incentive Scheme 2022 on January 16, 2023 and May 23, 2023 will vest in each of the two exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 36-month anniversary of the date of grant, respectively.
- (4) 30%, 30% and 40% of the share options granted under the Employee Incentive Scheme 2023-A will vest in each of the three exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant, respectively.
- (5) 50% and 50% of the share options granted under the Employee Incentive Scheme 2023-B will vest in each of the two exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 36-month anniversary of the date of grant, respectively.
- (6) The calculation is based on 227,415,576 A Shares (excluding treasury Shares) and 63,432,300 H Shares in issue as of December 31, 2025.
- (7) The 1,240,939 A Shares underlying the outstanding options granted as of December 31, 2025 represent (i) the options that were granted to grantees who were no longer employees of the Group as of December 31, 2025 and no longer eligible to the options; or (ii) the options where the relevant performance conditions for the year ended December 31, 2025 were not met and no longer exercisable. Such options were subsequently cancelled upon approval from the Board and the completion of the relevant procedures as disclosed in the announcements of the Company published on April 15, 2026.
- (8) Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.

EVENT AFTER THE REPORTING PERIOD

Reference is made to the announcements of the Company dated January 21, 2026 and February 2, 2026. On January 21, 2026, the Company entered into the placing agreement with GET NICE SECURITIES LIMITED (結好證券有限公司), VICTORY SECURITIES COMPANY LIMITED (勝利證券有限公司) and PATRONS SECURITIES LIMITED (百惠證券有限公司) (collectively, the “**Placing Agents**”), pursuant to which, the Company has agreed to appoint the Placing Agents, and the Placing Agents have conditionally agreed to procure, on a best effort basis, not less than six placees who, together with their respective ultimate beneficial owners, are Independent Third Parties, to purchase up to an aggregate of 18,682,000 new H Shares at the placing price of HK\$22.00 per H Share (the “**Placing**”). The closing price as quoted on the Hong Kong Stock Exchange on January 21, 2026, being the date of the placing agreement, is HK\$22.24 per H Share. The net placing price, after deducting all fees, costs and expenses incurred by the Company in connection with the Placing including the commission and levies, is therefore approximately HK\$21.29 per H Share. Completion of the Placing took place on February 2, 2026 in accordance with the terms and conditions of the placing agreement.

The Company plans to allocate the net proceeds of approximately HK\$397.70 million from the Placing for (i) approximately 45% for the R&D and production of space photovoltaic battery-related products; (ii) approximately 45% for equity investment and cooperation in the commercial aerospace sector; and (iii) approximately 10% for the replenishment of the working capital of the Company. As of the date of this annual report, the Company has no intention of changing its intended use and the expected timeline of full utilization of the net proceeds from the Placing.

Save for the above, there was no significant event which could have a material impact on the operating and financial performance of the Group from the end of the Reporting Period to the date of this annual report that is required to be disclosed by the Company.

APPRECIATION

On behalf of the Board, I would like to express the sincere gratitude to the staff and management team for their diligence, dedication, loyalty and integrity, and the Shareholders for their continuous support.

By order of the Board
Hainan Drinda New Energy Technology Co., Ltd.
Mr. Lu Xuyang
Chairperson of the Board, Executive Director

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code (the “**CG Code**”) as set out in Appendix C1 to the Hong Kong Listing Rules as its own code of corporate governance.

During the Relevant Period, the Company has fully complied with the code provisions of the CG Code and adopted certain best practices set forth therein. To ensure compliance with the CG Code and maintain high standards of corporate governance, the Board of Directors will continue to review and monitor its corporate governance practices.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as the code of conduct regarding the Directors’ dealings in the securities of the Company. Having made specific enquiry of all the Directors, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code during the Relevant Period.

From July 31, 2025, the Company no longer has a Supervisory Committee. Having made specific enquiry of all the Supervisors, all the Supervisors confirmed that they have strictly complied with the required standards set out in the Model Code during the period from the Listing Date to July 31, 2025.

BOARD OF DIRECTORS

As of the date of this annual report, the Board consists of three executive Directors, two non-executive Directors, one employee representative Director, and four independent non-executive Directors. The biographies of the Directors are set forth in the “Directors, Supervisors and Senior Management” section of this annual report. More than half of the Directors are non-executive Directors and independent non-executive Directors who are independent of the senior management. The non-executive Directors and independent non-executive Directors possess extensive business, legal, and financial experience and can make professional contributions to our business development. The Board is responsible for and holds general authority over the management and operation of the Company.

RESPONSIBILITIES

The Board is responsible for the overall leadership of the Group, oversees the Group’s strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. The senior management of the Group regularly provides all members of the Board with, and the Board and each Director are entitled to and should request for, monthly updates giving a balanced and understandable assessment of the Group’s financial and operating performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 of the Hong Kong Listing Rules. To oversee particular aspects of the Company’s affairs, the Board has established five Board committees including the Audit Committee (the “**Audit Committee**”), the Remuneration and Appraisal Committee (the “**Remuneration and Appraisal Committee**”), the Nomination Committee (the “**Nomination Committee**”), the Strategy Committee (the “**Strategy Committee**”) and the Environmental, Social, and Governance Committee (the “**ESG Committee**”) (collectively, the “**Board Committees**”). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate insurance coverage in respect of liability arising from legal action against its Directors, and will conduct annual review on such insurance coverage.

BOARD COMPOSITION

As of the date of this annual report, the Board consists of three executive Directors, two non-executive Directors, one employee representative Director, and four independent non-executive Directors as set out as follows:

Executive Directors

Mr. Lu Xuyang (*Chairperson*) (*appointed as an executive Director and Chairperson on July 31, 2025*)

Ms. Lu Xiaohong (*resigned as an executive Director and Chairperson on July 31, 2025*)

Mr. Xu Xiaoping (*resigned as an executive Director on July 31, 2025*)

Mr. Zhang Manliang

Mr. Zheng Hongwei

Ms. Zheng Tong (*resigned as an executive Director on July 31, 2025*)

Non-executive Directors

Mr. Xu Xiaoping (*re-designated as a non-executive Director on July 31, 2025*)

Mr. Xu Yong

Employee Representative Director

Ms. Zheng Hong (*appointed as an employee representative Director on July 31, 2025*)

Independent Non-executive Directors

Dr. Shen Wenzhong

Dr. Mao Xiaoying

Mr. Ma Shuli

Mr. Zhang Liang

During the Relevant Period, the Board at all times met the requirements under Rules 3.10 and 3.10A of the Hong Kong Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Board has received from each of the independent non-executive Directors a written annual confirmation of his/her independence pursuant to Rule 3.13 of the Hong Kong Listing Rules and considers them independent.

Save as disclosed in the biographies of Directors in the section headed “Directors, Supervisors and Senior Management” of this annual report, no Directors have any personal relations (including financial, business, family or other material relations/correlations) with any other Directors or the chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and expertise to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, Remuneration and Appraisal Committee, Nomination Committee and Strategy Committee.

CHAIRPERSON AND GENERAL MANAGER

Under code provision C.2.1 of the CG Code, the roles of chairperson and chief executive officer should be separate and held by different individuals. The chairperson of the Board and the general manager of the Company are currently two separate positions held by Mr. Lu Xuyang and Mr. Zhang Manliang, respectively, with clear distinction in responsibilities. The Chairperson of the Board is responsible for providing strategic advice and guidance on the business development of the Group, while the general manager is responsible for the day-to-day operations of the Group.

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS AND COMMITTEE MEETINGS

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. During the Reporting Period, the Board convened 14 Board meetings. Notices of no less than fourteen days are given for regular Board meetings to provide them with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board meetings and Board Committee meetings, reasonable notice is generally given by the Company. The agenda and accompanying Board papers are dispatched to the Directors or Board Committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairperson prior to the meeting. Minutes of meetings shall be kept by the company secretary of the Company with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting will be sent to the Directors for their review and comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by all the Directors.

A summary of the attendance record of the Directors at Board meetings and committee meetings during the Reporting Period is set out in the following table below:

Name of Director	Board	Audit Committee	Remuneration and Appraisal Committee	Nomination Committee	Strategy Committee	ESG Committee
Executive Directors:						
Mr. Lu Xuyang (<i>Chairperson</i> <i>(appointed as an executive Director and Chairperson on July 31, 2025)</i>)	6/6	N/A	N/A	N/A	0/0	N/A
Ms. Lu Xiaohong (<i>resigned as an executive Director and Chairperson on July 31, 2025</i>)	8/8	N/A	N/A	N/A	0/0	N/A
Mr. Zhang Manliang	14/14	N/A	N/A	N/A	0/0	1/1
Mr. Zheng Hongwei	14/14	N/A	3/4	3/3	N/A	1/1
Ms. Zheng Tong (<i>resigned as an executive Director on July 31, 2025</i>)	8/8	N/A	N/A	N/A	N/A	N/A
Non-executive Directors:						
Mr. Xu Xiaoping (<i>re-designated as a non-executive Director on July 31, 2025</i>)	14/14	3/10	1/4	0/3	0/0	N/A
Mr. Xu Yong	14/14	7/10	N/A	N/A	0/0	N/A
Employee Representative Director:						
Ms. Zheng Hong (<i>appointed as an employee representative Director on July 31, 2025</i>)	6/8	N/A	N/A	N/A	N/A	1/1

CORPORATE GOVERNANCE REPORT

Name of Director	Board	Remuneration			Strategy Committee	ESG Committee
		Audit Committee	and Appraisal Committee	Nomination Committee		
Independent Non-executive Directors:						
Dr. Shen Wenzhong	14/14	3/10	1/4	3/3	0/0	N/A
Dr. Mao Xiaoying	14/14	10/10	3/4	2/3	N/A	N/A
Mr. Ma Shuli	14/14	7/10	3/4	N/A	0/0	N/A
Mr. Zhang Liang	9/9	N/A	1/4	1/3	N/A	N/A

Apart from regular Board meetings, the Chairperson of the Board also held meetings with the independent non-executive Directors without the presence of other Directors during the Reporting Period.

Notes:

- During the period from January 1, 2025, to May 8, 2025 (i.e. the Listing Date of the Company), the composition of the Company's board committees was as follows: Strategy Committee: Ms. Lu Xiaohong, Mr. Xu Xiaoping, Mr. Xu Yong, Mr. Zhang Manliang, Dr. Shen Wenzhong, and Mr. Ma Shuli; Audit Committee: Dr. Mao Xiaoying, Mr. Xu Xiaoping, Dr. Shen Wenzhong; Remuneration and Appraisal Committee: Dr. Shen Wenzhong, Dr. Mao Xiaoying, Mr. Xu Xiaoping; Nomination Committee: Dr. Mao Xiaoying, Dr. Shen Wenzhong, Mr. Xu Xiaoping.
- From May 8, 2025, to July 31, 2025, the composition of the Company's board committees was as follows: Strategy Committee: Ms. Lu Xiaohong, Mr. Zhang Manliang, Dr. Shen Wenzhong; Audit Committee: Dr. Mao Xiaoying, Mr. Xu Yong, Mr. Ma Shuli; Remuneration and Appraisal Committee: Mr. Ma Shuli, Dr. Mao Xiaoying, Mr. Zheng Hongwei; Nomination Committee: Dr. Shen Wenzhong, Mr. Zheng Hongwei, Mr. Zhang Liang; ESG Committee: Mr. Zhang Manliang, Mr. Zheng Hongwei, Ms. Zheng Tong.
- From July 31, 2025 to the end of the Reporting Period, the composition of the Company's board committees was as follows: Strategy Committee: Mr. Lu Xuyang, Mr. Zhang Manliang, Dr. Shen Wenzhong; Audit Committee: Dr. Mao Xiaoying, Mr. Xu Yong, Mr. Ma Shuli; Remuneration and Appraisal Committee: Mr. Ma Shuli, Mr. Zhang Liang, Mr. Zheng Hongwei; Nomination Committee: Dr. Shen Wenzhong, Mr. Zheng Hongwei, Dr. Mao Xiaoying; ESG Committee: Mr. Zhang Manliang, Mr. Zheng Hongwei, Ms. Zheng Hong.

CORPORATE GOVERNANCE REPORT

GENERAL MEETING

During the Reporting Period, the minutes of the general meetings are summarized in the table below:

Name of Director	2025 First	2025 Second	2025 Third	2025 Fourth	
	Annual General Meeting	Extraordinary General Meeting	Extraordinary General Meeting	Extraordinary General Meeting	
Executive Directors:					
Mr. Lu Xuyang (<i>Chairperson</i>) (<i>appointed as an executive Director and Chairperson on July 31, 2025</i>)	N/A	N/A	N/A	1/1	1/1
Ms. Lu Xiaohong (<i>resigned as an executive Director and Chairperson on July 31, 2025</i>)	1/1	0/1	0/1	N/A	N/A
Mr. Zhang Manliang	0/1	0/1	0/1	1/1	1/1
Mr. Zheng Hongwei	0/1	0/1	1/1	1/1	1/1
Ms. Zheng Tong (<i>resigned as an executive Director on July 31, 2025</i>)	1/1	1/1	1/1	N/A	N/A
Non-executive Directors:					
Mr. Xu Xiaoping (<i>re-designated as a non-executive Director on July 31, 2025</i>)	1/1	0/1	0/1	1/1	1/1
Mr. Xu Yong	1/1	1/1	1/1	1/1	1/1
Employee Representative Director:					
Ms. Zheng Hong (<i>appointed as an employee representative Director on July 31, 2025</i>)	N/A	N/A	N/A	1/1	1/1
Independent Non-executive Directors:					
Dr. Shen Wenzhong	1/1	1/1	1/1	1/1	1/1
Dr. Mao Xiaoying	1/1	1/1	1/1	1/1	1/1
Mr. Ma Shuli	1/1	1/1	0/1	1/1	1/1
Mr. Zhang Liang	N/A	N/A	N/A	1/1	1/1

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Each of our Directors has entered into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term of three years commencing from the date of appointment; and (b) termination provisions in accordance with their respective terms.

According to Article 99 of the Articles of Association, directors shall be elected or replaced at a shareholders' meeting, and can be removed by a shareholders' meeting before the expiry of the term of office. Directors' term of office shall be three years, and upon expiry of the term of office, the director may be re-elected. The term of office of a director shall be from the date of appointment to the expiry of term of office of the current Board of Directors. Where re-election is not promptly carried out upon expiry of the term of office of a director, prior to appointment of a new director, the original director shall continue to carry out director's duties pursuant to the provisions of laws, administrative regulations, departmental rules and the Articles of Association. The senior management members may hold the position of director concurrently, but the aggregate number of directors who hold the position of senior management member concurrently and directors who are employee representatives shall not exceed half of the total number of directors of the Company. The Board shall have one employee representative director. The employee representative directors on the Board are democratically elected by the Company's employees through the employee representative congress, employee congress or other methods, and shall join the Board directly without being subject to consideration by the shareholders' meeting.

During the Reporting Period, the term of office of the fourth session of the Board expired. The fifth session of the Board was constituted on July 31, 2025, comprising three executive Directors, two non-executive Directors, one employee representative Director and four independent non-executive Directors. Mr. Zhang Manliang and Mr. Zheng Hongwei were re-elected as executive Directors. Mr. Xu Xiaoping and Mr. Xu Yong were re-elected as non-executive Directors. Mr. Lu Xuyang was elected as an executive Director. Dr. Mao Xiaoying, Dr. Shen Wenzhong, Mr. Ma Shuli and Mr. Zhang Liang were re-elected as independent non-executive Directors. Ms. Zheng Hong was elected as the employee representative Director.

In addition, Mr. Lu Xuyang and Ms. Zheng Hong have each obtained the legal opinion as set out in Rule 3.09D of the Hong Kong Listing Rules on July 23, 2025, confirming that they understand their duties and obligations as Directors of the Company.

AUTHORIZATION OF THE BOARD

The Board reserves for its decision on all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The responsibility of day-to-day management, administration and operation of the Group is delegated to the senior management. The Board regularly reviews the delegated duties and responsibilities. The senior management shall obtain approval from the Board before entering into any material transactions.

BOARD COMMITTEES

The Board has established five committees, namely the Audit Committee, Remuneration and Appraisal Committee, Nomination Committee, Strategy Committee and ESG Committee. The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference. Each committee has clear written terms of reference.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Hong Kong Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee include reviewing the quarterly, half-yearly and annual results reviewing the financial information and its disclosure of the Company, and supervising and evaluating the internal and external audit work as well as risk management and internal control, among others. The Audit Committee consists of three Directors, namely Dr. Mao Xiaoying (茆曉穎), Mr. Xu Yong (徐勇) and Mr. Ma Shuli (馬樹立). Mr. Xu Yong is a non-executive director, and Dr. Mao Xiaoying and Mr. Ma Shuli are independent non-executive directors. Dr. Mao Xiaoying is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

In 2025, the Audit Committee held 10 meetings to review the interim results and interim report of the Company for the six months ended June 30, 2025. During the meetings, the Audit Committee also reviewed matters including the effectiveness of the financial reporting, risk management and internal control systems, the internal audit function, as well as the appointment of the external auditor and the provision of non-audit services by them.

REMUNERATION AND APPRAISAL COMMITTEE

The Company has established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Hong Kong Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Appraisal Committee include formulating assessment criteria for directors and senior management and conducting assessments, approving the terms of executive Directors' service contracts as well as formulating and reviewing the remuneration policies and schemes for directors and senior management, among others. The Remuneration and Appraisal Committee consists of three Directors, namely Mr. Ma Shuli (馬樹立), Mr. Zheng Hongwei (鄭洪偉) and Mr. Zhang Liang (張亮). Mr. Zheng Hongwei is an Executive Director, while Mr. Ma Shuli and Mr. Zhang Liang are Independent Non-executive Directors. Mr. Ma Shuli is the chairman of the Remuneration and Appraisal Committee.

The terms of reference of the Remuneration and Appraisal Committee are available on the websites of the Company and the Stock Exchange.

During the Reporting Period, the Remuneration and Appraisal Committee held 4 meetings to review the remuneration policies and structure of the Company, and to provide recommendations to the Board on the remuneration packages of individual Directors and senior management. The Remuneration and Appraisal Committee has also reviewed the Employee Incentive Schemes and no material matters relating to the share schemes, were approved during the Reporting Period.

Details of directors' remuneration for the year ended December 31, 2025 are set out in note 12 to the consolidated financial statements. The remuneration bands of the senior management (excluding Directors) of the Group during the Reporting Period are set out below:

Remuneration bands (RMB)	Number of individuals
RMB0 to RMB1,000,000	2
RMB1,000,001 to RMB2,000,000	1
Total	3

NOMINATION COMMITTEE

The Company has established the Nomination Committee with written terms of reference in compliance with the CG Code. The primary functions of the Nomination Committee include formulating the standards and procedures for the election of directors and senior management, and selecting and reviewing candidates for Directors and senior management as well as their qualifications for office. The Nomination Committee consists of three Directors, namely Dr. Shen Wenzhong (沈文忠), Mr. Zheng Hongwei (鄭洪偉) and Dr. Mao Xiaoying (茆曉穎). Mr. Zheng Hongwei is an Executive Director, while Dr. Shen Wenzhong and Dr. Mao Xiaoying are Independent Non-executive Directors. Dr. Shen Wenzhong is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

During the Relevant Period, the Nomination Committee held 3 meetings to review the structure, size and composition of the Board and the independence of independent non-executive Directors, as well as to consider the qualifications of directors for the fifth session of the Board, and to review the Board diversity policy and its implementation progress of the Company, etc.

During the Reporting Period, the Nomination Committee, taking into account Director's professional qualifications and work experience, existing directorships of other listed companies and other significant external time commitments of such Director and other factors or circumstances relevant to the director's character, integrity, independence and experience, concluded that the Board comprised members with diversified backgrounds and skills which ensured check and balance and safeguarded the interests of Shareholders as well as the public. During the Reporting Period, the Nomination Committee also concluded that the Directors' time commitment and their contribution to the Board are adequate, since they well attended the training sessions, all attended the Board meetings, and demonstrated sufficient engagement with board matters throughout the year.

STRATEGY COMMITTEE

Our Company has established the Strategy Committee with written terms of reference. The main duties of the Strategy Committee are as follows: (i) to research the Company's long-term strategic development plans and decide on whether to submit the same to the Board for consideration; (ii) based on the Company's long-term development strategy, to research matters related to major new investment projects of the Company, including project initiation, feasibility studies, external negotiations, due diligence, cooperation intentions, and contract signing, and decide on whether to submit the same to the Board for consideration; (iii) to research major financing matters of the Company such as the issuance of shares and corporate bonds, and decide on whether to submit the same to the Board for consideration; (iv) to research the merger, division, liquidation of the Company, and other significant matters that may affect the Company's development, and decide on whether to submit the same to the Board for consideration; (v) to monitor and follow up on the implementation of the above matters after they have been approved by the Board; and (vi) other matters authorized by the Board. The Strategy Committee consists of three members, namely Mr. Lu Xuyang (陸徐楊先生), Mr. Zhang Manliang (張滿良先生) and Dr. Shen Wenzhong (沈文忠博士). Mr. Lu Xuyang and Mr. Zhang Manliang are Executive Directors, and Dr. Shen Wenzhong is an Independent Non-executive Director. Mr. Lu Xuyang is the chairman of the Strategy Committee.

The terms of reference of the Strategy Committee are available on the websites of the Company and the Stock Exchange.

During the Relevant Period, the Strategy Committee did not hold any meetings.

CORPORATE GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMMITTEE

Our Company has established the ESG Committee with written terms of reference. The primary duties of the ESG Committee are to undertake the Company's ESG strategic planning, risk management, policy system and target setting, ensure the effectiveness of ESG management through regular supervision and review, and report and make recommendations to the Board. The ESG Committee consists of three members, namely Mr. Zhang Manliang (張滿良先生), Mr. Zheng Hongwei (鄭洪偉先生) and Ms. Zheng Hong (鄭虹女士). Mr. Zhang Manliang and Mr. Zheng Hongwei are executive directors, and Ms. Zheng Hong is the employee representative director. Mr. Zhang Manliang is the chairman of the ESG Committee.

The terms of reference of the ESG Committee are available on the websites of the Company and the Stock Exchange.

During the Relevant Period, the ESG Committee held one meeting to review and monitor the Group's ESG related performance of 2024, review the achievement of ESG objectives, discuss the key ESG issues that have a significant impact on the Group's operations and/or the interests of other key stakeholders, and review the Group's ESG related policies.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the "Board Diversity Policy") to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director of the Company, the Nomination Committee will consider a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service. The Nomination Committee will review this policy and the measurable objectives at least annually to ensure the continued effectiveness of the Board, and where necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

Our Directors have a balanced mix of knowledge and skills, including but not limited to overall business management, finance and accounting and research and development. They obtained degrees in various majors including mechanical, economics and accounting, etc.. The Company believes that this mix of skills, experience and diversity effectively supports its purpose of driving sustainable innovation, aligns with its core values of integrity and collaboration, and enables the execution of its strategy to achieve long-term growth and shareholder value. Furthermore, our Board has a relatively wide range of ages, ranging from 37 years old to 60 years old and consists of eight male members and two female members. The Company aims to maintain the current proportion of female Directors.

During the Reporting Period, the Nomination Committee and the Board have reviewed the implementation and effectiveness of the Board Diversity Policy. The Nomination Committee is responsible for reviewing the diversity of the Board, reviewing the Board Diversity Policy, developing and reviewing measurable objectives for implementing the Board Diversity Policy, and monitoring the progress on achieving these measurable objectives in order to ensure that the policy remains effective. The Company will take opportunities to increase the proportion of female members of the Board when selecting and recommending suitable candidates for Board appointments to help enhance gender diversity in accordance with stakeholder expectations and recommended best practices. The Company also intends to promote gender diversity when recruiting staff at the mid to senior level so that the Company will have a pipeline of female senior management and potential successors to the Board.

WORKFORCE DIVERSITY POLICY

The Company has formulated a "Diversity, Equality, and Inclusion Policy". For details, please refer to the qualitative objectives or descriptions in the excerpt. Full text of the "Diversity, Equality, and Inclusion Policy" is available on the Company's website under the sections headed "Sustainable Development – Reports and Policies – Sustainable Development Policies". During the Reporting Period, the senior management of the Company consisted of Mr. Zhang Manliang (張滿良), Mr. Zheng Hongwei (鄭洪偉), Ms. Zheng Tong (鄭彤), and Mr. Zhou Xiaohui (周小輝), with female executives accounting for 25%. The proportion of female employees in the Company was 24.15%. The Company aims to maintain the current proportion of female employees.

DIRECTOR NOMINATION POLICY

The Company has adopted a director nomination policy (the “**Director Nomination Policy**”) in accordance with the Corporate Governance Code. The Director Nomination Policy, which sets out the selection criteria and process and the considerations in relation to nomination and appointment of Directors of the Company for the Board succession plan, aims to ensure that the Board has a balance of skills and experience and provide diversified perspectives to meet the requirements of the Company’s business.

The Nomination Committee shall identify individuals suitably qualified to become Directors and select or make recommendations to the Board on the selection of individuals nominated for directorships. The ultimate responsibility for selection and appointment of Directors rests with the entire Board.

The Director Nomination Policy sets out the non-exhaustive factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Integrity and reputation;
- Educational background, professional qualifications and work experience (including part-time jobs);
- Whether or not they possess the necessary skills and experience;
- Whether or not they are able to put sufficient time and efforts to handle the Company’s affairs;
- Whether or not they will promote the diversity of the Board in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and term of office;
- Whether or not the candidates for independent non-executive Directors meet the requirements for independence under Rule 3.13 of the Hong Kong Listing Rules; and
- Any other relevant factors as determined by the Nomination Committee or the Board from time to time.

The Nomination Committee shall also monitor and review the implementation of the Director Nomination Policy, as appropriate from time to time, and will report to the Board annually. As of the date of this annual report, the Nomination Committee and the Board have reviewed the Director Nomination Policy and consider it effective.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the functions set out in provision A.2.1 of the Corporate Governance Code.

The Board is responsible for developing and reviewing the Company’s corporate governance policies and practices, reviewing and monitoring the training and continuous professional development of the Directors and senior management, reviewing and monitoring the Company’s policies and practices on compliance with legal and regulatory requirements, and reviewing the Company’s compliance with the Corporate Governance Code and disclosure in its Corporate Governance Report.

During the Reporting Period, the Board had reviewed the Company’s corporate governance practice and performed its corporate governance function.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

On February 6, 2023, the Company had adopted the “Shareholder Return Plan for the Next Three Years (2023–2025)” (the “**Shareholder Return Plan**”). According to our Shareholder Return Plan, and subject to relevant PRC laws and applicable regulations, and our Articles of Association, after making up for any losses (if any), allocating statutory reserve funds, and allocating discretionary reserve funds (if necessary), from the year of 2023 to 2025, except for special circumstances, we target to distribute cash dividends to our Shareholders no less than 10% of our distributable profit for the year if our Company is profitable for the year and has a positive cumulative undistributed profit. The aforementioned special circumstances include: (i) the occurrence of significant investments or capital expenditure events (excluding fundraising projects), including but not limit to, any investment or future investment within the next twelve months, fixed assets investments, asset acquisitions, or procurement of equipment and service, with cumulative expenditures reaching or exceeding 50% of our net assets based on the audited financial statements from the latest financial year; (ii) our audited debt-to-asset ratio exceeds 70% at the end of the year; or (iii) the cumulative distributable profit per share for the year is less than RMB0.1.

We cannot assure that we will be able to distribute dividends of the above amount or any amount, or at all, in any year. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that the Company has entered into or may enter into in the future.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the year ended December 31, 2025, which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management of the Company has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Group's consolidated financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on the Group's performance, positions and prospects.

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.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

Every newly appointed Director should receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Hong Kong Listing Rules and relevant statutory requirements.

Internally-facilitated briefings for the Directors would be arranged and reading material on relevant topics would be provided to the Directors regularly. All Directors are encouraged to attend relevant training courses at the Company's expense.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, the Company provided a series of trainings and relevant reading materials to the Directors to help ensure that they are apprised of the latest changes in the commercial, legal and regulatory environment in which the Group conducts its business and to refresh their knowledge and skills on the roles, functions and duties of a director of a listed company. Pursuant to Rule 3.09H and 3.09G of the Hong Kong Listing Rules, the Directors have attended seminars and training sessions arranged by relevant business and professional/financial institutions/law firms, and have read relevant materials relating to roles, functions, and responsibilities of the Board, regulatory updates, business and industry development, corporate governance, ESG, risk management and internal control and directors' duties. The relevant details are set out below:

Name of Director	Training Topics				
	Roles, functions, and responsibilities of the Board, its committees, and Directors, as well as the effectiveness of the Board	The Company's responsibilities under Hong Kong laws and the Hong Kong Listing Rules and Director's duties, as well as major laws and regulatory developments (including updates on the Hong Kong Listing Rules) related to the performance of such responsibilities and duties	Matters related to corporate governance and environmental, social and governance (including the development of sustainability or climate related risks and opportunities relating to the Company and its businesses)	Risk management and internal control	Updates on the special industry development, business trend and strategies related to the Company
Executive Directors:					
Mr. Lu Xuyang (陸徐揚) (Chairperson) (appointed as an executive Director and Chairperson on July 31, 2025)	✓	✓	✓	✓	✓
Ms. Lu Xiaohong (陸小紅) (resigned as an executive Director and Chairperson on July 31, 2025)	✓	✓	✓	✓	✓
Mr. Zhang Manliang (張滿良)	✓	✓	✓	✓	✓
Mr. Zheng Hongwei (鄭洪偉)	✓	✓	✓	✓	✓
Ms. Zheng Tong (鄭彤) (resigned as an executive Director on July 31, 2025)	✓	✓	✓	✓	✓
Non-executive Directors:					
Mr. Xu Xiaoping (徐曉平) (designated as a non-executive Director on July 31, 2025)	✓	✓	✓	✓	✓
Mr. Xu Yong (徐勇)	✓	✓	✓	✓	✓
Employee Representative Director:					
Ms. Zheng Hong (鄭虹) (appointed as an employee representative Director on July 31, 2025)	✓	✓	✓	✓	✓
Independent Non-executive Directors:					
Dr. Shen Wenzhong (沈文忠)	✓	✓	✓	✓	✓
Dr. Mao Xiaoying (茆曉穎)	✓	✓	✓	✓	✓
Mr. Ma Shuli (馬樹立)	✓	✓	✓	✓	✓
Mr. Zhang Liang (張亮)	✓	✓	✓	✓	✓

CORPORATE GOVERNANCE REPORT

AUDITOR'S RESPONSIBILITY AND REMUNERATION

The Company has appointed Deloitte Touche Tohmatsu as the overseas auditor and Zhonghui Certified Public Accountants (Special General Partnership) as the domestic auditor for the Reporting Period. A statement by the overseas auditor about its reporting responsibilities for the financial statements is included in the Independent Auditors' Report on pages 74 to 77.

The Audit Committee is responsible for making recommendations to the Board on the appointment of external auditors and reviewing the non-audit services (including any potential conflict of interest) performed by the external auditors. Details of the fees in respect of the audit and non-audit services provided by the overseas auditor and the domestic auditor for the Reporting Period are set out in the table below:

Services rendered for the Company	Total fees paid and payable RMB'000
Audit services*	4,398
Non-audit services	
As reporting accountants in relation to the global offering of H Shares	3,669
Other services (including tax advisory services and other non-audit services)	1,090
Total	9,157

* Amount included fees paid and payable to the domestic auditor for the internal controls audit services rendered for the Company.

BOARD INDEPENDENCE MECHANISM

The Company has adopted a Board independence mechanism (the "**Board Independence Mechanism**") which sets out that the independent non-executive Directors shall represent more than one-third of the Board and the independent non-executive Directors will be appointed to the Board Committees as far as possible to ensure independent perspectives are obtained. The Nomination Committee will assess annually the independence of the candidate nominated as a new independent non-executive Director prior to his/her appointment and the continuing independence of the existing long-serving independent non-executive Directors. Each independent non-executive Director is also required to inform the Company as soon as practicable his/her personal changes that may have a material impact on his/her independence. Each of the independent non-executive Directors is required to provide a written confirmation to the Company regularly confirming his/her independence and whether he/she and his/her immediate family members meet the requirements set out in Rule 3.13 of the Hong Kong Listing Rules. All Directors are entitled to seek further information and documents from the management on the matters to be discussed at the Board meetings, as well as assistance from the company secretary of the Company and, if necessary, independent advice from external professional advisers. All Directors are encouraged to express their views openly at the Board/Board Committee meetings.

The Board will annually review the effectiveness of the Board Independence Mechanism. The Group has reviewed the implementation and effectiveness of the Board Independence Mechanism in 2025, and confirmed its effectiveness.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has established a comprehensive risk management and internal control process through which we address risks associated with every aspect of our business operation and ensure a compliance culture. We have put in place a set of operational risk analysis and response measures to achieve risk aversion, risk reduction and risk response by properly identifying, categorizing and analyzing various risks. We have implemented risk management policies and procedures that are designed to identify, evaluate, and manage the significant risks we may encounter, including market, credit, and operational risks. These policies and procedures are integral components of our internal control systems, which are regularly reviewed to ensure they effectively address the risks. This ongoing process supports our commitment to maintain robust risk oversight and ensure that these risks are managed in a manner that is aligned with the best interests of our shareholders and the long-term objectives of our Company.

In managing our risks, we endeavor to thoroughly consider the exposure of each of our different business departments, and we periodically review the effectiveness of our risk management and internal control measures to ensure timely and robust implementation. We adopted an internal control procedure of risk and opportunity identification and evaluation, to follow a systematic process and selection criteria to identify, assess, and prioritize material risks, including ESG-related risks. In particular, we have adopted the following measures to mitigate the risks on bribery and corruption:

- a policy relating to anti-bribery and anti-corruption was issued by us to mitigate the risks on bribery and corruption. Our inspection department is responsible for monitoring, accepting, escalation, processing, investigation and reporting of incompliance behavior including bribery and corruption;
- a whistle-blower mechanism was set up by us, including report channels (hotline and mailbox), investigation procedures and responding to detected problems; and
- compliance training is provided to all employees including new employees.

Guided by our Board and given the evolving business and regulatory environment in which we operate, we have adopted, or expected to adopt, a series of changes in our internal control policies, programs and procedures to strengthen our risk management and internal control capability and prevent non-compliance event from happening. These measures include:

- the engagement of an independent internal control auditor who performed a review on our internal controls over financial reporting and provided recommendation accordingly. We have adopted the corresponding remediation actions to improve our internal control system. The internal control consultant performed a follow-up review with regard to those actions taken by us, and there was no further material finding identified in the design of internal control process of the follow up review;
- the improvement of our existing system that monitors and records the status of requisite certificates, licenses and permits to ensure operation of production plants and the mechanism to update this system from time to time based on the requirements of the local authorities and advices given to us;
- the engagement of external legal advisor to facilitate compliance with the relevant requirements under the Hong Kong Listing Rules after Listing;
- the regular training provided by external legal advisor to our Directors and senior management on the subject of compliance of relevant Hong Kong Listing Rules requirements and applicable PRC laws and regulations; and
- the establishment of our Audit Committee which comprised of two independent non-executive Directors and one non-executive Director to oversee our risk management and internal control systems, and review the financial statements of our Company from the perspective of compliance with applicable rules and regulations.

CORPORATE GOVERNANCE REPORT

In addition, to ensure workplace safety and employee well-being, we established internal control systems like the “Occupational Disease Hazard Factors Regular Testing Report” to identify and manage risks. Adhering to the principle of “safety first, prevention foremost, and responsibility for all”, we formed a Safety Production Committee, led by the general manager and senior management, to oversee safety policies and major safety decisions. We identified and detailed occupational health and safety risk points, and conducted risk assessments and ensured to cover 100% of identified risks. Through our efforts, our departments undertake annually to enforce safety production targets and responsibilities. We also protect our employees through providing personal protective equipment for hazardous roles and providing noise-cancellation accessories to our workers in high-noise areas. We also maintain personal health records and offer annual health check-ups for employees in high-risk roles to ensure effective coverage.

Furthermore, to enhance our employees’ awareness of, and ability to fully comply with relevant laws and regulations, e.g., those on environmental protection and energy conservation, including those associated with the construction and commencement of production projects, we have established training programs to keep relevant employees in charge abreast of the regulatory landscape so that they can be better equipped to ensure timely inspection and feedback on the application for and maintenance of relevant acceptances, examinations and permits.

During the Reporting Period, the Board conducted an annual review of the effectiveness of the Group’s risk management and internal control systems based on the confirmation made by the senior management and inputs from the Audit Committee. The Board considered that the risk management and internal control systems of the Group, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group’s accounting, internal audit and financial reporting functions, are effective and adequate, and the Company has complied with the risk management and internal control code provisions during the year.

The Board has an overall and ongoing responsibility for the Group’s risk management and internal control systems, and reviewing their effectiveness. It is acknowledged that risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material adverse change or damage.

The Board, through its risk oversight role, ensures that the senior management establishes an effective risk management, consistent with the Group’s strategy and risk appetite. The senior management establishes risk management policies and internal control processes to identify, evaluate and manage risks. Each subsidiary implements such policies and processes in the daily operations and reports significant risks identified to the senior management regularly. The senior management assesses and evaluates these significant risks reported then allocates sufficient resources to address these risks and monitors the risk management status reported from the relevant subsidiary from time to time. The senior management will communicate the risk management and internal control findings to the Board for its assessment of the effectiveness of the relevant risk management and internal control systems of the Group.

Pursuant to the CG Code, the Company has established an internal audit function which generally carries out the analysis and independent appraisal of the adequacy and effectiveness of the Group’s risk management and internal control systems. The internal audit department of the Group shall review material internal control aspects of the Group, including financial, operational and compliance controls as well as risk management function, duties which include (i) reviewing and reporting on internal and operational controls; (ii) following-up on the suggestions made by external auditors; (iii) ongoing monitoring and reviews on different operating cycles; and (iv) special review of areas of concern identified by senior management. It reports to the Board from time to time, and also reports the findings to the Audit Committee at least twice a year and on ad-hoc basis. The findings are communicated with the senior management and actions are taken to resolve defects as and when identified. No material internal control defects were identified during the year.

The Group has a policy for handling and dissemination of inside information including relevant control processes and safeguards. The processes and safeguards are implemented as needed by the relevant department heads and management involved in the handling and dissemination of inside information.

CORPORATE GOVERNANCE REPORT

In addition to the above, pursuant to Code Provision D.2.9 of Appendix C1 to the Hong Kong Listing Rules, the Company discloses the following information:

The Company is an A+H share listed company, with its H Shares and A Shares listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange on May 8, 2025 and April 25, 2017, respectively. As disclosed in the announcement of the Company dated July 10, 2025, following the listing of its H Shares, the Company was not able to promptly identify certain differences between the requirements under the Hong Kong Listing Rules and the Shenzhen Listing Rules in relation to subscriptions of wealth management products, and thus the Company had not timely complied with the relevant notification and announcement requirements under the Hong Kong Listing Rules in respect of subscriptions of wealth management products issued by the Industrial Bank during the period from May 9, 2025 to July 3, 2025 as and when such obligation arose (the “**Incidents**”). Although the Company had established internal control and approval procedures for subscribing wealth management products in line with its usual practice as an A share listed company, the Company did not identify timely the relevant disclosure obligations and, accordingly, did not publish the required announcement under Chapter 14 of the Hong Kong Listing Rules in a timely manner.

In view of the above, the Directors consider the risk of non-compliance with the Hong Kong Listing Rules (in particular, the reporting, announcement and/or disclosure requirements under Chapter 14 of the Hong Kong Listing Rules) in relation to the Company’s subscription of wealth management products to be a significant area of concern identified in the Company’s risk management and internal control systems during the Relevant Period. The internal control deficiencies identified included (i) insufficient familiarity with, and timely identification of, the applicable Hong Kong Listing Rules requirements following the Company’s listing in Hong Kong; and (ii) the relevant disclosure requirements under the Hong Kong Listing Rules have not yet been fully incorporated into the Company’s existing internal control framework for information disclosure; there is a lack of a systematic mechanism for regularly reviewing and dynamically updating discrepancies in disclosure requirements between the A-share and H-share listing rules.

After discovery of the Incidents, the Board has reviewed and disclosed details of the subscriptions of the wealth management products that the Incidents relates by way of an announcement on July 9, 2025. In addition, to address the above deficiencies and prevent non-compliance of the applicable requirements including disclosure requirements under Chapter 14 of the Hong Kong Listing Rules in respect of the subscription of wealth management products from occurring in the future, the Company has implemented the following enhanced internal control policies from July 10, 2025:

- (a) the Company has conducted a comprehensive review and self-examination of the purchase of wealth management products;
- (b) the Company has provided and will continue to strengthen the training provided to staff in the finance department and reinforce their existing knowledge relating to notifiable and connected transactions;
- (c) with the assistance of professional parties, the Company further understands the definition of a wealth management product and has reminded the responsible staff, senior management and Directors and strengthen their understanding to identify the circumstances which are expected to trigger the reporting and announcement requirements under the Hong Kong Listing Rules and potential problems at an early stage to avoid the recurrence of such matters;
- (d) the Company has reinforced the coordination and reporting arrangements for notifiable transactions within the Group to reduce human clerical error by designating specific employees to monitor the transaction amount of any transactions falling into the definition under Rule 14.04(1) of the Hong Kong Listing Rules, especially the subscription for wealth management products;

CORPORATE GOVERNANCE REPORT

- (e) the Company has circulated a detailed guideline relating to notifiable and connected transactions under the Hong Kong Listing Rules and will provide regular training to remind the responsible staff, senior management and Directors in order to strengthen and reinforce their existing knowledge relating to notifiable and connected transactions, as well as their ability to identify potential issues at an early stage; and
- (f) the Company has worked more closely with its internal legal and compliance department on compliance issues; and shall, as and when appropriate and necessary, consult other professional advisers before entering into any potential notifiable transactions. If necessary, the Company might also consult the Hong Kong Stock Exchange on the proper treatment of the proposed transaction. Going forward, the Company will continue to comply with the management procedures of its investments on wealth management products and make such disclosure in a timely manner to ensure compliance with the Hong Kong Listing Rules.

Subsequent to the Incidents, the Board has reviewed the internal control review report on the Group's risk management and internal control system for the year ended December 31, 2025, according to which it is noted that the Company had put in place enhanced internal control procedures to improve its internal control system. The Board is of the view that after implementing the above enhanced internal control measures, the Company has maintained an appropriate and effective risk management and internal control system to enable the Company to meet its continuing obligations under the Hong Kong Listing Rules, and that there were no significant areas of concern on its risk management and internal control system.

The Group is committed to preventing incidents of bribery, extortion and fraud. The Group has implemented whistleblowing policy and anti-corruption policy for employees, suppliers and other stakeholders who have concerns about any suspected misconduct or malpractice within the Group to raise concerns, in confidence and anonymity. The Audit Committee has overall responsibility for monitoring and reviewing the operation of such policy and any recommendations for action resulting from investigation into complaints.

The Board attaches great importance to and is fully responsible for maintaining a sound and effective risk management and internal control system for the Group. To discharge its responsibilities, the Board, on an ongoing basis, oversees the design, implementation and monitoring of the risk management and internal control systems by management. The Audit Committee, on behalf of the Board, reviews the development, implementation and oversight of the risk management and internal control systems by management on a semiannual basis, and reviews the effectiveness of the risk management and internal control systems on an annual basis.

During the Reporting Period, the Board reviewed the effectiveness of the Company's risk management and internal control systems and considered them to be effective and adequate. The review covered all material controls, including financial, operational and compliance controls.

JOINT COMPANY SECRETARIES

Ms. Zheng Tong was appointed as a joint company secretary of the Company on May 8, 2025.

In order to uphold good corporate governance and ensure compliance with the Hong Kong Listing Rules and applicable Hong Kong laws, the Company also engaged Ms. Yu Wing Sze ("**Ms. Yu**") of TMF Hong Kong Limited, a company secretarial service provider, as another joint company secretary of the Company to assist Ms. Zheng Tong in discharging her duties as a company secretary of the Company.

Ms. Zheng Tong is the primary corporate contact person of Ms. Yu at the Company. Ms. Zheng Tong and Ms. Yu have undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Hong Kong Listing Rules in 2025.

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meetings by Shareholders and Putting Forward Proposals at General Meetings

Pursuant to article 52 of the Articles of Association, shareholders who individually or collectively hold more than 10% of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary shareholders' meeting, and shall submit such request in writing to the Board of Directors. Pursuant to article 57 of the Articles of Association, shareholders who individually or collectively hold more than 1% of the shares of the Company may submit an interim proposal in writing to the convener 10 days prior to the convening of the shareholders' meeting. Shareholders who wish to put forward proposals at general meetings may achieve so by means of convening an EGM following the procedures set out in above.

Procedure for Shareholders to Propose a Person for Election as a Director

Detailed procedures for Shareholders to propose a person for election as a Director of the Company are published on the Company's website.

Putting Forward Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could email their enquiries to the Company at zhengquan@drinda.com.cn.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

The Company has adopted a shareholder communication policy and maintained it in force, and details of the policy are available on the Company's website. The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies, and endeavours to maintain an ongoing dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the forthcoming AGM, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries. Regular meetings are held with institutional investors and financial analysts to ensure two-way communications on the Company's performance and development. When the Company announces its interim and annual results, earnings conferences are conducted to apprise investors, analysts and the press of the Group's operating results as well as business strategies and outlook. The Company's investor relations website is updated on a timely basis to ensure that investors are able to have access to the Company's information, latest news and reports.

The Company discloses information and publishes periodic reports and announcements to the public in accordance with the Hong Kong Listing Rules, the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions.

The Board reviewed the Group's shareholders and investor engagement and communication activities conducted during the Reporting Period and was satisfied with the implementation and effectiveness of the shareholder communication policy.

CHANGES IN CONSTITUTIONAL DOCUMENTS

In order to fully implement laws, regulation and regulatory requirements, and further enhance the level of corporate governance, according to the provisions of the Company Law and other laws, regulations and normative documents, combined with the actual situation of the Company and in accordance with the principles for prudence, appropriateness and necessity, the Company has made amendments to the Articles of Association to abolish the Supervisory Committee on July 31, 2025, with the Audit Committee exercising the powers of the Supervisory Committee as prescribed by the Company Law, and the Rules of Procedure for the Supervisory Committee and other relevant regulations shall be abolished accordingly together with some other housekeeping changes, including but not limited to the increase in the registered capital of the Company after the listing of the H Shares on the Hong Kong Stock Exchange.

No changes have been made to the Articles of Association of the Company for the period from July 31, 2025 to the date of this annual report.

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF HAINAN DRINDA NEW ENERGY TECHNOLOGY CO., LTD.

(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Hainan Drinda New Energy Technology Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 78 to 154, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") 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 International Standards on Auditing ("ISAs"). 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

KEY AUDIT MATTER *(Continued)*

Key audit matter

How our audit addressed the key audit matter

Impairment assessment of goodwill

We identified impairment assessment of goodwill as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, and the significant judgements made by management in estimating the recoverable amount of the cash-generating unit to which goodwill has been allocated, which is based on value-in-use calculations using discounted cash flow model.

As at December 31, 2025, the Group has goodwill with carrying value of RMB802,215,000, net of impairment loss of RMB50,006,000 which has been recognised during the year ended December 31, 2025, based on the impairment assessment performed by the management of the Group. Details are disclosed in note 18A to the consolidated financial statements.

As disclosed in note 4 to the consolidated financial statements, during the process of impairment assessment of goodwill, the management of the Group considered that the impairment assessment is highly judgemental as it involves certain significant inputs used in the discounted cash flow model, including revenue growth rates and discount rate.

Our procedures in relation to impairment assessment of goodwill included:

- Understanding the Group's impairment assessment process, including the method adopted and the data and assumptions used;
- Assessing the application of the model of the impairment assessment adopted by the management of the Group;
- Evaluating the competence, capabilities and objectivity of the valuation expert engaged by the management of the Group in the impairment assessment process;
- Assessing the revenue growth rates applied in the cash flow projections, considering financial budgets approved by the management of the Group, business plans of the Group, and available industry and market data, if applicable;
- Comparing historical cash flows projection in the prior year with the actual results in the current year; and
- Engaging our internal valuation experts to assess the discount rate used in the discounted cash flow model based on market data and certain entity-specific input data.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE 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 IFRS Accounting Standards as issued by the IASB and the disclosure requirements of 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible 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 solely to you, as a body, in accordance with our agreed terms of engagement, 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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.

INDEPENDENT AUDITOR'S REPORT

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

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

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

From the matters communicated with those charged with governance, 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 AU, Mei Yin.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
March 30, 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	5	7,597,846	9,923,894
Cost of sales		(8,115,292)	(10,008,952)
Gross loss		(517,446)	(85,058)
Other income	7	112,305	172,909
Other gains and losses	8	(162,930)	24,123
Selling and marketing expenses		(50,988)	(63,006)
Administrative expenses		(352,162)	(337,562)
Listing expenses		(9,555)	(5,236)
Research and development expenses	10	(110,590)	(206,953)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	10	(1,403)	(6,748)
Other expenses		(4,888)	(3,331)
Finance costs	9	(272,671)	(220,557)
Loss before tax	10	(1,370,328)	(731,419)
Income tax (charge) credit	11	(45,460)	140,306
Loss for the year		(1,415,788)	(591,113)
Other comprehensive (expense) income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(352)	23
Total comprehensive expense for the year		(1,416,140)	(591,090)
Loss per share	14		
– Basic (RMB)		(5.27)	(2.60)
– Diluted (RMB)		(5.27)	(2.60)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025

	NOTES	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	7,503,935	8,483,140
Right-of-use assets	16	162,173	167,256
Intangible assets	17	124,739	160,818
Goodwill	18	802,215	854,842
Equity instrument at fair value through other comprehensive income ("FVTOCI")	19	93,154	–
Deferred tax assets	20	278,660	368,112
Prepayments for acquisition of property, plant and equipment		30,341	78,380
		8,995,217	10,112,548
CURRENT ASSETS			
Inventories	21	637,982	552,077
Trade, bills and other receivables	22	823,292	824,799
Receivables at FVTOCI	23	138,796	187,790
Value-added tax ("VAT") recoverable		685,807	752,116
Income tax recoverable		37,654	49,064
Financial assets at fair value through profit or loss ("FVTPL")	24	629,857	430,183
Restricted bank deposits	25	1,460,901	919,356
Cash and cash equivalents	25	2,992,960	2,616,276
		7,407,249	6,331,661
CURRENT LIABILITIES			
Trade, bills and other payables	26	3,990,582	3,800,785
Contract liabilities	27	63,531	82,549
Bank and other borrowings	28	3,105,326	2,491,935
Lease liabilities	29	1,622	2,170
Financial liabilities at FVTPL		2,915	–
		7,163,976	6,377,439
NET CURRENT ASSETS (LIABILITIES)		243,273	(45,778)
TOTAL ASSETS LESS CURRENT LIABILITIES		9,238,490	10,066,770

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2025

	NOTES	2025 RMB'000	2024 RMB'000
NON-CURRENT LIABILITIES			
Other payables	26	2,845,936	3,148,068
Bank and other borrowings	28	2,655,707	2,886,001
Lease liabilities	29	3,904	5,136
Deferred income	30	21,074	28,385
Deferred tax liabilities	20	52,041	112,183
		5,578,662	6,179,773
NET ASSETS			
		3,659,828	3,886,997
CAPITAL AND RESERVES			
Share capital	32	292,584	229,152
Treasury shares		(100,956)	(100,956)
Reserves		3,468,200	3,758,801
TOTAL EQUITY			
		3,659,828	3,886,997

The consolidated financial statements on pages 78 to 154 were approved and authorised for issue by the Board of Directors of the Company on March 30, 2026 and are signed on its behalf by:

Mr. Zhang Manliang
DIRECTOR

Mr. Zheng Hongwei
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2025

	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Capital surplus reserve RMB'000 (note i)	Translation reserve RMB'000	Share-based payment reserve RMB'000	Other reserve RMB'000	Retained profits (accumulated losses) RMB'000	Total RMB'000
At January 1, 2024	227,395	-	2,822,336	12,324	-	148,774	23,628	1,474,783	4,709,240
Loss for the year	-	-	-	-	-	-	-	(591,113)	(591,113)
Other comprehensive income for the year	-	-	-	-	23	-	-	-	23
Total comprehensive income (expenses) for the year	-	-	-	-	23	-	-	(591,113)	(591,090)
Dividends recognised as distribution (note 13)	-	-	-	-	-	-	-	(170,015)	(170,015)
Reversal of equity-settled share-based payment expenses (note 33)	-	-	-	-	-	(15,997)	-	-	(15,997)
Repurchase of ordinary A shares (note ii)	-	(100,956)	(42)	-	-	-	-	-	(100,998)
Reversal of deferred tax assets arising from share-based payment expenses	-	-	-	-	-	(5,812)	-	-	(5,812)
Exercise of share options	1,757	-	119,595	-	-	(66,203)	6,520	-	61,669
At December 31, 2024	229,152	(100,956)	2,941,889	12,324	23	60,762	30,148	713,655	3,886,997
Loss for the year	-	-	-	-	-	-	-	(1,415,788)	(1,415,788)
Other comprehensive expense for the year	-	-	-	-	(352)	-	-	-	(352)
Total comprehensive expenses for the year	-	-	-	-	(352)	-	-	(1,415,788)	(1,416,140)
Issue of new shares upon global offering of H shares (note 32)	63,432	-	1,241,956	-	-	-	-	-	1,305,388
Transaction costs attributable to issue of new shares	-	-	(98,585)	-	-	-	-	-	(98,585)
Reversal of equity-settled share-based payment expenses (note 33)	-	-	-	-	-	(17,832)	-	-	(17,832)
At December 31, 2025	292,584	(100,956)	4,085,260	12,324	(329)	42,930	30,148	(702,133)	3,659,828

Notes:

- (i) In accordance with the articles of association of the subsidiaries established in the People's Republic of China (the "PRC"), the subsidiaries are required to transfer at least 10% of their profit after tax in accordance with the relevant accounting principles and financial regulations applicable to enterprises established in the PRC before any distribution of dividends to owner each year to capital surplus reserve until the reserve reaches 50% of their respective registered capital. The capital surplus reserve can be used to make up for previous years' losses, expand the existing operations or convert into additional capital of the subsidiaries.
- (ii) During the year ended December 31, 2024, the Company repurchased 1,736,176 ordinary A shares at an aggregate consideration of RMB100,998,000 (including transaction costs thereon of RMB42,000 recognised in profit or loss) for the Group's equity-settled share option scheme.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Loss before tax	(1,370,328)	(731,419)
Adjustments for:		
Finance costs	272,671	220,557
Bank interest income	(60,811)	(27,073)
Depreciation of property, plant and equipment	741,547	705,357
Depreciation of right-of-use assets	5,338	6,224
Amortisation of intangible assets	36,390	33,796
Decrease in goodwill	2,621	1,837
Impairment loss recognised on property, plant and equipment	266,098	–
Impairment loss recognised on goodwill	50,006	–
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets	1,403	6,748
Net loss on disposal of property, plant and equipment	2,281	523
Net gain on termination of right-of-use assets and lease liabilities	(336)	(643)
Write-down of inventories	118,630	130,094
Share-based payment expenses	(17,832)	(15,997)
Deferred income from government grants	(4,563)	–
Listing expenses	–	5,236
Extra deduction of input VAT	–	(104,127)
Net fair value loss (gain) on financial assets and liabilities at FVTPL	63,701	(183)
Gain on disposal of a subsidiary	(7,314)	–
Net foreign exchange loss (gain)	51,929	(10,838)
Operating cash flows before movements in working capital	151,431	220,092
(Increase) decrease in inventories	(206,219)	45,114
Increase in trade, bills and other receivables	(127,076)	(441,353)
(Increase) decrease in receivables at FVTOCI	(495,903)	1,106,361
Decrease (increase) in VAT recoverable	72,733	(301,287)
Increase in trade, bills and other payables	1,967,661	577,029
Decrease in contract liabilities	(19,018)	(392,073)
Increase in deferred income	13,219	–
Cash generated from operations	1,356,828	813,883
PRC enterprise income tax paid	(4,740)	(33,338)
NET CASH FROM OPERATING ACTIVITIES	1,352,088	780,545

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	2025 RMB'000	2024 RMB'000
INVESTING ACTIVITIES		
Withdrawal of restricted bank deposits	698,778	818,940
Placement of restricted bank deposits	(2,768,440)	(1,691,176)
Purchase of and prepayments for acquisition of property, plant and equipment	(206,669)	(604,501)
Proceeds on disposal of property, plant and equipment	1,260	823
Purchase of intangible assets	(616)	(13,414)
Net cash inflow on disposal of a subsidiary (note 31)	117,488	–
Purchases of equity instrument at FVTOCI	(93,154)	–
Bank interest received	46,107	29,257
Placement of financial assets at FVTOCI	–	(50,000)
Proceeds on disposal of financial assets at FVTOCI	–	50,000
Purchase of financial assets at FVTPL	(14,709,528)	(6,498,320)
Proceeds on disposal of financial assets at FVTPL	14,392,704	6,068,320
Receipt of government grants related to property, plant and equipment	97,344	461,696
	(2,424,726)	(1,428,375)
FINANCING ACTIVITIES		
New bank and other borrowings raised	3,477,324	3,651,885
Repayment of bank and other borrowings	(2,693,494)	(2,450,742)
Dividends paid	–	(170,015)
Interest paid	(234,071)	(155,847)
Repayments of lease liabilities	(1,964)	(1,833)
Purchase of intangible assets	(19,185)	(19,092)
Purchase of property, plant and equipment	(260,000)	(180,000)
Proceeds from exercise of share options	–	61,669
Proceeds on issuance of new shares upon global offering of H shares	1,305,388	–
Payments of issue costs	(75,290)	(23,097)
Repurchase of ordinary shares	–	(100,998)
Repayment to independent third parties	(20,000)	–
	1,478,708	611,930
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	406,070	(35,900)
Effect of changes in exchange rates	(29,386)	2,324
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	2,616,276	2,649,852
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	2,992,960	2,616,276

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

1. GENERAL INFORMATION

Hainan Drinda New Energy Technology Co., Ltd. (the “Company”) was incorporated and registered in the PRC on April 3, 2003 as a limited liability company. In August 2012, the Company was converted into a joint stock company with limited liability under the Company Laws of the PRC. In April 2017 and May 2025, the Company was listed on the Shenzhen Stock Exchange and the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), respectively. The addresses of the registered office and the principal place of business of the Company is Hainan Drinda Building, Haikou Free Trade Zone, No. 168 Nanhai Avenue, Haikou, the PRC.

The Company and its subsidiaries (collectively referred to as the “Group”) is principally engaged in the research and development, manufacturing and sales of photovoltaic cells.

The consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (the “IASB”) for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after January 1, 2026

³ Effective for annual periods beginning on or after January 1, 2027

Except for the new IFRS Accounting Standard described below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” (“IFRS 18”), which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 “Presentation of Financial Statements” (“IAS 1”). This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (the title of which will be changed to “Basis of Preparation of Financial Statements” upon effective of IFRS 18) and IFRS 7 “Financial Instruments: Disclosures”. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Basis of consolidation (Continued)

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. A structured entity often has restricted activities and a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity.

Consolidation of a subsidiary or a structured entity begins when the Group obtains control over the subsidiary or the structured entity and ceases when the Group loses control of the subsidiary or a structured entity. Specifically, income and expenses of a subsidiary or a structured entity acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary or the structured entity.

When necessary, adjustments are made to the financial statements of subsidiaries or structure entities to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

On disposal of the relevant CGU or any of the CGU within the group of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained.

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in notes 5 and 27.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 “Leases” (“IFRS 16”) at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component or non-lease components, the Group allocates the consideration in the contract to the lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases offices or staff quarters that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities; and
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 “Financial Instruments” (“IFRS 9”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is benchmarked against the prevailing bank lending rates as announced by the People's Bank of China.

The lease payments represent fixed payments.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, based on the lease term of the modified lease by discounting the revised lease payments using the discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Leases (Continued)

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 “Revenue from Contracts with Customers” (“IFRS 15”) to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group’s operations are translated into the presentation currency of the Group using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

On the disposal of a foreign operation (that is, a disposal of the Group’s entire interest in a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Borrowing costs

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.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant assets in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. For government grants received but where the Group had yet purchased, constructed or otherwise acquired the non-current assets, the amounts received are recorded as “deferred income”.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under “other income”.

Employee benefits

Retirement benefit costs

Payments to government managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payment reserve). At the end of the reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

When share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will continue to be held in share-based payment reserve.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary difference. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 “Income Taxes” (“IAS 12”) requirements to the lease liabilities and the right-of-use assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss. The cost of those items is measured in accordance with the measurement requirements of IAS 2 “Inventories”. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Property, plant and equipment (Continued)

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of the reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research and development expenditure

Expenditure on research and development activities that do not meet the criteria to be recognised as intangible assets is recognised as an expense in the period in which it is incurred.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs. In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit of the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing selling and distribution.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 “Business Combinations” applies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these receivables had been measured at amortised cost. All other changes in the carrying amount of these receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these receivables. When these receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, and is transferred to retained profits (accumulated losses).

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated at FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of the reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade, bills and other receivables, receivables at FVTOCI, restricted bank deposits and cash and cash equivalents) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables, bills receivables and receivables at FVTOCI.

For all other instruments, the Group measures the impairment loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. industry indicators and news reports;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables, bills receivables, other receivables and receivables at FVTOCI (except for trade receivables from customers with high credit risk) are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by the management of the Group to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for receivables at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, bills receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account. For receivables at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of receivables at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

Financial liabilities or equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Impairment assessment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGU to which goodwill has been allocated, which is the higher of the value in use and fair value less costs of disposal.

The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or changes in facts and circumstances which result in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

During the process of impairment assessment of goodwill, the management of the Group considered that the impairment assessment is highly judgemental as it involves certain significant inputs used in the discounted cash flow model, including revenue growth rates and discount rate.

As at December 31, 2025, the Group has goodwill with carrying value of RMB802,215,000, net of impairment loss of RMB50,006,000 which has been recognised during the year ended December 31, 2025 based on the impairment assessment performed by the management of the Group. Details of the recoverable amount calculation are disclosed in note 18A.

Impairment assessment of property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment, right-of-use assets and intangible assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (i) whether an event has occurred or any indicators that may affect the asset value; (ii) whether the carrying value of an asset can be supported by the recoverable amount; and (iii) the appropriate key assumptions to be applied in estimating the recoverable amounts. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of CGUs, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates could materially affect the recoverable amounts.

As at December 31, 2025, the carrying amounts of property, plant and equipment, right-of-use assets and intangible assets subject to impairment assessment were RMB7,503,935,000 (2024: RMB8,483,140,000), RMB162,173,000 (2024: RMB167,256,000) and RMB124,739,000 (2024: RMB160,818,000) respectively, after taking into account the impairment loss of RMB266,098,000 (2024: Nil) in respect of property, plant and equipment that has been recognised during the year ended December 31, 2025. Details of the impairment assessment of property, plant and equipment, right-of-use assets and intangible assets are disclosed in note 18A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Recognition of deferred tax assets

The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the foreseeable future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. In cases where the actual future profits generated are higher or less than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the periods in which such a situation takes place.

As at December 31, 2025, the Group's carrying amount of deferred tax assets is RMB278,660,000 (2024: RMB368,112,000). Details of deferred tax assets are disclosed in note 20.

5. REVENUE

Disaggregation of revenue from contracts with customers

	2025 RMB'000	2024 RMB'000
Sale of photovoltaic cell products and related services	7,597,846	9,923,894

Performance obligations for contracts with customers and revenue recognition policies

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue arising from sales of photovoltaic cell products is recognised at a point in time when the goods are delivered to the customers at the specified location. Revenue arising from the related manufacturing services is recognised upon completion of the services contracts, since only by that time the Group passes control of the services to the customers. The Group generally does not grant any credit period to its customers.

Customers are generally required to make full payment before the Group delivers the products to customers. Contract liabilities are recognised when consideration is received for which revenue has yet been recognised.

Transaction price allocated to the remaining performance obligations for contracts with customers

The Group applies the practical expedient under IFRS 15 of not disclosing the transaction price allocated to performance obligations that are unsatisfied as the Group's contracts have an original expected duration of less than one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

6. SEGMENT INFORMATION

For the purpose of resource allocation and assessment of segment performance, the executive directors of the Company, being the chief operating decision makers, focus on and review the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies set out above. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Entity-wide disclosures

Geographical information

Substantially all of the Group's operations and non-current assets (excluding financial instruments and deferred tax assets) are located in the PRC. The geographical information of the Group's revenue, determined based on geographical locations of the registered office of the immediate customers, is as follows:

	2025 RMB'000	2024 RMB'000
Chinese Mainland	3,736,458	7,550,690
Others outside of Chinese Mainland	3,861,388	2,373,204
	7,597,846	9,923,894

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Customer A	N/A*	1,892,069

* The corresponding revenue contributed to the total revenue of the Group is less than 10%.

7. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Bank interest income	60,811	27,073
Extra deduction of input VAT (note i)	–	104,127
Government grants (note ii)	22,252	13,836
Sales of materials	29,242	27,873
	112,305	172,909

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

7. OTHER INCOME (Continued)

Notes:

- (i) Effective from January 1, 2023 to December 31, 2027, the net VAT payables amount has been reduced by an additional 5% of VAT on purchases, pursuant to the announcements jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC on September 3, 2023.
- (ii) The amount represents unconditional government grants received from local government in connection with enterprise development support and innovation capability incentives.

8. OTHER GAINS AND LOSSES

	2025 RMB'000	2024 RMB'000
Impairment loss recognised on goodwill (note 18A)	(50,006)	–
Net loss on disposal of property, plant and equipment	(2,281)	(523)
Gain on disposal of a subsidiary (note 31)	7,314	–
Net gain on termination of right-of-use assets and lease liabilities	336	643
Net foreign exchange (loss) gain	(35,761)	21,492
Net fair value (loss) gain on financial assets and liabilities at FVTPL	(63,701)	5,206
Others	(18,831)	(2,695)
	(162,930)	24,123

9. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	265	282
Expense on discounting bills receivables and receivables at FVTOCI	550	4,663
Interest on bank and other borrowings	179,426	110,228
Interest on payables for acquisition of property, plant and equipment	90,459	103,407
Interest on payables for acquisition of intangible assets	1,971	1,977
	272,671	220,557

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

10. LOSS BEFORE TAX

Loss before tax has been arrived at after charging (crediting):

	2025 RMB'000	2024 RMB'000
Depreciation of property, plant and equipment	741,547	705,357
Depreciation of right-of-use assets	5,338	6,224
Amortisation of intangible assets	36,390	33,796
	783,275	745,377
Capitalised in inventories	(676,800)	(585,646)
Total depreciation and amortisation charged to profit or loss	106,475	159,731
Auditors' remuneration – audit services	4,398	1,811
Cost of inventories recognised as cost of sales	7,709,342	9,856,256
Impairment loss recognised on property, plant and equipment (included in cost of sales)	266,098	–
Impairment loss in respect of goodwill (included in other gains and losses)	50,006	–
Write-down of inventories	118,630	130,094
Directors' and supervisors' remuneration (note 12)	1,409	5,792
Other staff costs		
– Salaries and other benefits	516,236	782,341
– Retirement benefit scheme contributions	24,643	35,294
– Discretionary performance-related bonus	9,751	1,953
– Share-based payment expenses	(12,159)	(14,053)
	539,880	811,327
Capitalised in inventories	(336,012)	(489,910)
Capitalised in construction in progress	(8,648)	(12,640)
Total staff costs charged to profit or loss	195,220	308,777
Research and development expenses		
– Staff costs	58,664	141,154
– Depreciation and amortisation	4,946	8,810
– Materials consumed	30,403	40,698
– Others	16,577	16,291
	110,590	206,953
Government grants directly recognised in profit or loss		
– as other income	(22,252)	(13,836)
– as cost of sales	(517,064)	(746,595)
– as finance costs	(36,599)	(56,427)
	(575,915)	(816,858)
Impairment losses (including reversals of impairment losses or impairment gains) on financial assets		
– Trade and bills receivables	917	5,257
– Other receivables	486	1,491
	1,403	6,748

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

11. INCOME TAX CHARGE (CREDIT)

	2025 RMB'000	2024 RMB'000
PRC Enterprise Income Tax ("EIT")	32	29,996
Underprovision of PRC EIT in prior years	16,118	–
Deferred tax charge (credit)	29,310	(170,302)
	45,460	(140,306)

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first Hong Kong Dollar ("HK\$") 2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits. No provision for Hong Kong Profits Tax is recognised as the relevant subsidiaries have no assessable profits arising in or derived from Hong Kong.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory tax rate of the subsidiaries in the Chinese Mainland is 25%. The Company's subsidiaries in Chinese Mainland, Chuzhou Jietai New Energy Technology Co., Ltd.* (滁州捷泰新能源科技有限公司) ("Chuzhou Jietai") and Huai'an Jietai New Energy Technology Co., Ltd.* (淮安捷泰新能源科技有限公司) ("Huai'an Jietai"), obtained the "High Technology Enterprise" certification in October 2023 and November 2024, respectively, and are therefore entitled to a preferential tax rate of 15% for a period of 3 years from the date of certification. The other subsidiaries in Chinese Mainland are subject to the statutory PRC EIT rate of 25%.

Income tax charge (credit) for the year can be reconciled to loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000
Loss before tax	(1,370,328)	(731,419)
Tax at PRC EIT rate of 25%	(342,582)	(182,855)
Tax effect of expenses not deductible for tax purpose	957	2,622
Tax effect of tax losses not recognised	87,306	–
Tax effect attributable to the additional qualified tax deduction relating to research and development expenditures (note)	(18,832)	(46,267)
Tax effect of deductible temporary differences not recognised	32,189	–
Underprovision in prior years	16,118	–
Reversal of deferred tax recognised in respect of deductible temporary differences and tax losses	179,155	–
Decrease in deferred tax assets resulting from a decrease in applicable tax rate	–	8,608
Tax effect of tax concessions	91,149	77,586
Income tax charge (credit)	45,460	(140,306)

Note: Pursuant to the relevant laws and regulations in the PRC, the Group enjoys super deduction of 200% on qualifying research and development expenditures for both years.

* English name is for identification purpose

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

12. DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors', Supervisors' and the chief executive's emoluments

Directors', supervisors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

	Fees	Salaries and allowances	Retirement benefit scheme contributions	Discretionary performance-related bonus	Share-based payments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2025						
Executive directors						
Mr. Lu Xuyang (陸徐揚) ("Mr. Lu") (note i)	-	-	-	-	-	-
Ms. Lu Xiaohong (陸小紅) ("Ms. Lu") (note i)	-	875	-	(225)	-	650
Mr. Zhang Manliang (張滿良) ("Mr. Zhang")	-	2,318	38	341	(2,855)	(158)
Mr. Zheng Hongwei (鄭洪偉) ("Mr. Zheng")	-	1,520	29	134	(2,818)	(1,135)
Ms. Zheng Tong (鄭彤) ("Ms. Zheng T.") (note ii)	-	590	29	33	-	652
Employee representative director						
Ms. Zheng Hong (鄭虹) ("Ms. Zheng H.")	-	223	6	34	-	263
Supervisors						
Ms. Lin Caiying (林彩英) ("Ms. Lin") (note ii)	-	-	-	-	-	-
Ms. He JiaLu (何佳璐) ("Ms. He") (note ii)	-	61	5	(4)	-	62
Ms. Liu Renmei (劉忍妹) ("Ms. Liu") (note ii)	-	79	5	(4)	-	80
Independent non-executive directors						
Mr. Shen Wenzhong (沈文忠) ("Mr. Shen")	108	-	-	-	-	108
Ms. Mao Xiaoying (茅曉穎) ("Ms. Mao")	108	-	-	-	-	108
Mr. Ma Shuli (馬樹立) ("Mr. Ma")	108	-	-	-	-	108
Mr. Zhang Liang (張亮) ("Mr. Zhang L.") (note iii)	78	-	-	-	-	78
Non-executive directors						
Mr. Xu Xiaoping (徐曉平) ("Mr. Xu") (note iv)	-	588	5	-	-	593
Mr. Xu Yong (徐勇) ("Mr. Xu Y.")	-	-	-	-	-	-
	402	6,254	117	309	(5,673)	1,409

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

12. DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Directors', Supervisors' and the chief executive's emoluments (Continued)

	Fees RMB'000	Salaries and allowances RMB'000	Retirement benefit scheme contributions RMB'000	Discretionary performance- related bonus RMB'000	Share-based payments RMB'000	Total RMB'000
2024						
Executive directors						
Ms. Lu (note i)	-	1,500	-	225	-	1,725
Mr. Xu (note iv)	-	1,008	9	-	-	1,017
Mr. Zhang	-	1,553	38	259	(2,637)	(787)
Mr. Zheng	-	1,609	29	266	829	2,733
Ms. Zheng T. (note ii)	-	471	29	33	(136)	397
Supervisors						
Ms. Lin (note ii)	-	-	-	-	-	-
Ms. Lin Ting (林婷) ("Ms. Lin T.") (note v)	-	66	4	-	-	70
Ms. He (note ii)	-	75	4	4	-	83
Ms. Wang Menglin (汪夢琳) ("Ms. Wang") (note vi)	-	91	4	-	-	95
Mr. Zhang Tao (張濤) ("Mr. Zhang T.") (note vii)	-	-	-	-	-	-
Ms. Zheng Yuyao (鄭玉瑤) ("Ms. Zheng Y.") (note viii)	-	64	-	-	-	64
Ms. Liu (note ii)	-	86	5	4	-	95
Independent non-executive directors						
Mr. Shen	100	-	-	-	-	100
Ms. Mao	15	-	-	-	-	15
Mr. Ma	15	-	-	-	-	15
Non-executive directors						
Mr. Yang Youjun (楊友雋) ("Mr. Yang") (note ix)	85	-	-	-	-	85
Mr. Zhao Hang (趙航) ("Mr. Zhao") (note ix)	85	-	-	-	-	85
Mr. Xu Y.	-	-	-	-	-	-
	300	6,523	122	791	(1,944)	5,792

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

12. DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS *(Continued)*

Directors', Supervisors' and the chief executive's emoluments *(Continued)*

Notes:

- (i) Ms. Lu resigned as the chairperson and executive director of the Company and Mr. Lu was designated as the chairperson of the Company with effect from July 31, 2025.
- (ii) Ms. Zheng T. resigned as an executive director and Ms. Lin, Ms. Liu and Ms. He resigned as a supervisor with effect from July 31, 2025.
- (iii) Mr. Zhang L. was appointed as an independent non-executive director with effect from May 8, 2025.
- (iv) Mr. Xu was re-designated from an executive director to a non-executive director with effect from July 31, 2025.
- (v) Ms. Lin T. resigned as a supervisor with effect from June 25, 2024.
- (vi) Ms. Wang resigned as a supervisor with effect from July 11, 2024.
- (vii) Mr. Zhang T. resigned as a supervisor with effect from February 5, 2024.
- (viii) Ms. Zheng Y. resigned as a supervisor with effect from January 12, 2024.
- (ix) Mr. Yang and Mr. Zhao resigned as a non-executive director with effect from November 6, 2024.

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' and supervisors' emoluments shown above were for their services as directors and supervisors of the Company.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

There was no arrangement under which a director or supervisor or the chief executive waived or agreed to waive any emolument, and no emoluments were paid by the Group to any of the directors or supervisors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

12. DIRECTORS', SUPERVISORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS *(Continued)*

Five highest paid employees

The five highest paid individuals of the Group include no (2024: two) directors, details of whose emoluments are set out above. The emoluments of the five (2024: remaining three) employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other benefits	6,068	4,045
Retirement benefit scheme contributions	130	107
Discretionary performance-related bonus <i>(note)</i>	722	648
Share-based payment expenses	–	765
	6,920	5,565

Note: Discretionary performance-related bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

The number of the five highest paid individuals who are not the directors of the Company whose remuneration fell within the following bands presented in HK\$ is as follows:

	2025 Number of employees	2024 Number of employees
HK\$1,000,001 to HK\$1,500,000	3	1
HK\$1,500,001 to HK\$2,000,000	2	1
HK\$2,500,001 to HK\$3,000,000	–	1
Total	5	3

No emoluments were paid by the Group to the five highest paid individuals for both years as an inducement to join or upon joining the Group or as compensation for loss of office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

13. DIVIDENDS

	2025 RMB'000	2024 RMB'000
Dividend for ordinary shareholders of the Company recognised as distribution during the year	-	170,015

During the year ended December 31, 2025, the Company did not declare and pay cash dividend (2024: RMB0.75 per ordinary A share with an aggregate amount of RMB170,015,000) to ordinary shareholders of the Company.

The directors of the Company do not recommend payment of any final dividend for the year ended December 31, 2025.

14. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2025	2024
Loss (RMB'000):		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	(1,415,788)	(591,113)
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	268,777	227,106

The weighted average number of ordinary shares is arrived at after deducting the treasury shares of 1,736,176 ordinary A shares held by the Company for the Group's equity-settled share option scheme.

For the years ended December 31, 2025 and 2024, the computation of diluted loss per share does not assume the exercise of the Company's share options since their assumed exercise would be anti-dilutive.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Plant and machinery	Office equipment	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST						
At January 1, 2024	2,627,153	7,036,827	50,168	7,672	1,276,379	10,998,199
Additions	2,291	3,198	3,129	560	532,503	541,681
Transfers from construction in progress	90,618	1,360,757	18,749	95	(1,470,219)	-
Deduction arising from government grants received	-	(703,462)	-	-	-	(703,462)
Adjustment on completion of construction in progress	(6,704)	6,355	-	-	-	(349)
Disposals	-	(1,272)	(148)	(544)	-	(1,964)
At December 31, 2024	2,713,358	7,702,403	71,898	7,783	338,663	10,834,105
Additions	1,812	41,695	464	199	310,745	354,915
Exchange realignment	(7)	(777)	(1)	-	-	(785)
Transfers from construction in progress	75,980	425,006	6,587	163	(507,736)	-
Deduction arising from government grants received	-	(99,286)	-	-	-	(99,286)
Adjustment on completion of construction in progress	(15,383)	(49,034)	(1,009)	-	(46,469)	(111,895)
Disposal of a subsidiary (note 31)	(1,079)	(170,618)	(320)	(199)	-	(172,216)
Disposals	(1,266)	(2,975)	(23)	(235)	-	(4,499)
At December 31, 2025	2,773,415	7,846,414	77,596	7,711	95,203	10,800,339
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At January 1, 2024	(128,158)	(1,501,972)	(13,306)	(2,790)	-	(1,646,226)
Provided for the year	(84,330)	(604,749)	(14,861)	(1,417)	-	(705,357)
Eliminated on disposals	-	225	140	253	-	618
At December 31, 2024	(212,488)	(2,106,496)	(28,027)	(3,954)	-	(2,350,965)
Provided for the year	(86,887)	(634,358)	(18,733)	(1,569)	-	(741,547)
Disposal of a subsidiary (note 31)	151	60,900	197	-	-	61,248
Impairment loss recognised in profit or loss (note 18A)	(183,543)	(82,148)	(404)	(3)	-	(266,098)
Eliminated on disposals	130	603	9	216	-	958
At December 31, 2025	(482,637)	(2,761,499)	(46,958)	(5,310)	-	(3,296,404)
CARRYING VALUE						
At December 31, 2025	2,290,778	5,084,915	30,638	2,401	95,203	7,503,935
At December 31, 2024	2,500,870	5,595,907	43,871	3,829	338,663	8,483,140

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The Group obtained the property ownership certificates for all buildings except for buildings with carrying amount of RMB2,023,836,000 (2024: RMB2,171,219,000) as at December 31, 2025.

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis over the following estimated useful lives after taking into account their estimated residual values:

	Useful lives years	Estimated residual values
Buildings	20–30	5%
Plant and machinery	10	5%
Office equipment	3–5	5%
Motor vehicles	4–5	5%

Details of the impairment testing of property, plant and equipment are disclosed in note 18A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

16. RIGHT-OF-USE ASSETS

	Leasehold lands	Staff quarters	Office properties	Total
	RMB'000	RMB'000	RMB'000	RMB'000
COST				
At January 1, 2024	168,109	4,174	4,967	177,250
Additions	–	–	7,919	7,919
Termination of lease	–	(4,174)	(3,344)	(7,518)
At December 31, 2024	168,109	–	9,542	177,651
Additions	–	–	6,724	6,724
Termination of lease	–	–	(9,542)	(9,542)
At December 31, 2025	168,109	–	6,724	174,833
ACCUMULATED DEPRECIATION				
At January 1, 2024	(4,368)	(1,490)	(3,128)	(8,986)
Provided for the year	(3,543)	(1,203)	(1,478)	(6,224)
Termination of lease	–	2,693	2,122	4,815
At December 31, 2024	(7,911)	–	(2,484)	(10,395)
Provided for the year	(3,538)	–	(1,800)	(5,338)
Termination of lease	–	–	3,073	3,073
At December 31, 2025	(11,449)	–	(1,211)	(12,660)
CARRYING VALUE				
At December 31, 2025	156,660	–	5,513	162,173
At December 31, 2024	160,198	–	7,058	167,256

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

16. RIGHT-OF-USE ASSETS (Continued)

	Year ended December 31	
	2025 RMB'000	2024 RMB'000
Expenses relating to short-term leases	332	4,695
Total cash outflow for leases	2,296	7,006

For both years, the Group leases various offices, staff quarters and lands from independent third parties for its operations. Lease contracts are entered into for a fixed term of 5 years to 50 years (2024: 2 years to 50 years). In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group has made lump sum payments upfront to government for leasehold lands. As at December 31, 2025, the Group obtained the land use right certificates for all such leasehold lands except for leasehold lands with carrying amount of RMB120,997,000 (2024: RMB123,580,000).

The Group regularly entered into short-term leases for its operations. As at December 31, 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Restrictions or covenants on leases

In addition, lease liabilities of RMB5,526,000 (2024: RMB7,306,000) are recognised with related right-of-use assets of RMB5,513,000 (2024: RMB7,058,000) as at December 31, 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Sale and leaseback transactions – seller-lessee

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. These legal transfers do not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery. During the year ended December 31, 2025, the Group raised RMB403,071,000 (2024: RMB391,348,000) borrowings in respect of such sale and leaseback arrangements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

17. INTANGIBLE ASSETS

	Patent RMB'000	Software RMB'000	Total RMB'000
COST			
At January 1, 2024	124,064	5,021	129,085
Additions	73,829	45,453	119,282
At December 31, 2024	197,893	50,474	248,367
Additions	–	311	311
At December 31, 2025	197,893	50,785	248,678
ACCUMULATED DEPRECIATION			
At January 1, 2024	(52,962)	(791)	(53,753)
Provided for the year	(30,426)	(3,370)	(33,796)
At December 31, 2024	(83,388)	(4,161)	(87,549)
Provided for the year	(31,040)	(5,350)	(36,390)
At December 31, 2025	(114,428)	(9,511)	(123,939)
CARRYING VALUE			
At December 31, 2025	83,465	41,274	124,739
At December 31, 2024	114,505	46,313	160,818

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Patent	5.25 – 10 years
Software	10 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

18. GOODWILL

	RMB'000
COST	
At January 1, 2024	856,679
Decrease (<i>note</i>)	(1,837)
At December 31, 2024	854,842
Decrease (<i>note</i>)	(2,621)
At December 31, 2025	852,221
IMPAIRMENT	
At January 1, 2024 and December 31, 2024	-
Impairment loss recognised in the year	(50,006)
At December 31, 2025	(50,006)
CARRYING VALUE	
At December 31, 2025	802,215
At December 31, 2024	854,842

Note: The decrease in goodwill was mainly due to the effect of the subsequent decrease in deferred tax liabilities arising from business combination. Deferred tax liabilities decreased subsequently as the future taxable temporary difference arising from the fair value adjustment of the property, plant and equipment and identifiable intangible assets (i.e. patents) of Shangrao Jietai New Energy Technology Co., Ltd.* (上饒捷泰新能源科技有限公司) ("Jietai Technology") acquired on acquisition date due to the additional depreciation and amortisation charged subsequent to acquisition date. The directors of the Company considered that the amount is insignificant and thus no adjustment was made accordingly.

* English name is for identification purpose

Particulars regarding impairment testing on goodwill are disclosed in note 18A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

18A. IMPAIRMENT ASSESSMENT ON PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, INTANGIBLE ASSETS AND GOODWILL

The Group's sale of photovoltaic cell products business recorded operating losses during the year ended December 31, 2025, which was mainly attributable to the decrease in sales volume of the photovoltaic cells as well as the decrease in prevailing market price. In view of the historical financial performance and the competitive industry outlook, the management of the Group concluded that there were indications for impairment and conducted impairment assessment on the Group's property, plant and equipment, right-of-use assets and intangible assets.

The Group estimates the recoverable amounts of property, plant and equipment and right-of-use assets with aggregate carrying amounts (before impairment) of RMB538,380,000 individually. The recoverable amount has been determined based on its fair value less costs of disposal. The Group uses direct comparison approach to estimate the fair value less costs of disposal of the assets which is based on the recent transaction and market quoted prices for the similar assets adjusted for nature, location and conditions. The fair value measurement is categorised into Level 3 fair value hierarchy. The relevant assets were impaired to their recoverable amount of RMB272,282,000, which are their carrying values as at December 31, 2025 and the impairment of RMB266,098,000 has been recognised in profit or loss in the cost of sales line item during the year ended December 31, 2025.

The Group also estimates the recoverable amount of the relevant CGUs within the Group's sale of photovoltaic cell products business to which the property, plant and equipment, right-of-use assets and intangible assets belong (including corporate assets), other than the property, plant and equipment and right-of-use assets as mentioned above. As the carrying amount of these CGUs of RMB7,518,565,000 did not exceed the recoverable amount based on their value in use, no impairment has been recognised in respect of the relevant assets.

For the purpose of the impairment testing of goodwill, its carrying amount of RMB852,221,000 (2024: RMB854,842,000) has been allocated to the CGU consisting of the above property, plant and equipment, right-of-use assets and intangible assets (including corporate assets) that generate cash flows together with the goodwill.

The recoverable amount of this CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering a 5-year period and pre-tax discount rate of 12.0% (2024: 11.8%) per annum. The management of the Group did not assume any growth to the cash flows subsequent to the 5-year period. This is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows which include budgeted revenue growth. Such estimation is based on the CGU's past performance and management's expectations for the market development. Apart from the revenue growth and pre-tax discount rate, the management of the Group considers there are no other key assumptions to the value in use calculation.

Based on the impairment testing, an impairment loss of RMB50,006,000 in respect of the attributable goodwill has been recognised in profit or loss in the other gains and losses line item. No write-down of the other assets within the CGU is considered necessary.

If the pre-tax discount rate was changed to 12.2%, while other parameters remain constant, the recoverable amount of the CGU would be reduced by approximately RMB65.6 million and a further impairment of goodwill of the same amount would be recognised.

As at December 31, 2024, the recoverable amount of the CGU exceeded its carrying amount and no impairment loss was considered necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

19. EQUITY INSTRUMENT AT FVTOCI

	2025 RMB'000	2024 RMB'000
Unlisted equity investment	93,154	—

The unlisted equity investment represents the Group's equity interests in a private entity registered in Turkey and engaged in the manufacturing and sales of photovoltaic cells. The directors of the Company have elected to designate this investment in the equity instrument as at FVTOCI as they believe that recognising short-term fluctuations in the investment's fair value in profit or loss would not be consistent with the Group's strategy of holding the investment for long-term purposes and realising its performance in the long run.

20. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	278,660	368,112
Deferred tax liabilities	(52,041)	(112,183)
	226,619	255,929

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

20. DEFERRED TAXATION (Continued)

The following are the major deferred tax balances recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation	Tax losses	Fair value adjustment arising from business combination	Impairment loss on assets	Deferred income	Share-based payment expenses	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	(614,039)	137,500	(20,900)	191,362	366,714	28,817	8,505	97,959
Credit (charge) to profit or loss	70,909	109,379	6,005	(8,458)	22,264	(12,718)	(8,471)	178,910
Charge to reserves	-	-	-	-	-	(12,332)	-	(12,332)
Increase (decrease) in deferred taxation resulting from a change in applicable tax rate	103,668	(16,074)	-	(2,442)	(93,681)	(79)	-	(8,608)
At December 31, 2024	(439,462)	230,805	(14,895)	180,462	295,297	3,688	34	255,929
(Charge) credit to profit or loss	(55,907)	91,969	8,565	(89,056)	(8,185)	(3,688)	26,992	(29,310)
At December 31, 2025	(495,369)	322,774	(6,330)	91,406	287,112	-	27,026	226,619

As at December 31, 2025, the Group has unused tax losses of RMB2,836,988,000 (2024: RMB1,196,331,000) available for offset against future profits of which deferred tax assets has been recognised in respect of RMB2,020,989,000 (2024: RMB1,196,331,000) of such losses. As at December 31, 2025, no deferred tax asset has been recognised in respect of the remaining tax losses of RMB815,999,000 (2024: Nil) due to the unpredictability of future profit streams. The unrecognised tax losses of the Group will be carried forward and expire in years as follows:

	2025 RMB'000	2024 RMB'000
2028	7,457	-
2029	461,216	-
2030	347,326	-
	815,999	-

At December 31, 2025, the Group has deductible temporary differences of RMB2,712,118,000 (2024: RMB2,906,384,000). At December 31, 2025, deferred tax assets have been recognised in respect of RMB2,333,517,000 (2024: RMB2,906,384,000) of such deductible temporary differences. No deferred tax asset has been recognised in relation to the remaining deductible temporary differences of RMB378,601,000 (2024: Nil), as it is not probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

21. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	303,243	219,545
Work-in-progress	9,651	20,402
Finished goods	218,492	104,113
Goods in transit	106,596	208,017
	637,982	552,077

22. TRADE, BILLS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade and bills receivables		
Trade receivables	72,504	32,519
Bills receivables	571,442	623,804
	643,946	656,323
Less: Impairment loss allowance for trade and bills receivables	(11,462)	(10,735)
	632,484	645,588
Other receivables and prepayments		
Advances to suppliers	69,086	90,515
Prepayment for listing expenses	–	106
Deferred issue costs (<i>note</i>)	–	31,266
Government grant receivables	54,650	40,000
Other receivables	37,491	26,054
Refundable deposits	38,797	–
	200,024	187,941
Less: Impairment loss allowance for other receivables	(9,216)	(8,730)
	190,808	179,211
	823,292	824,799

Note: Deferred issue costs represent the qualifying portion of issue costs incurred up to December 31, 2024, which were debited to equity of the Company as share issue costs in respect of the issue of new shares upon the global offering and listing of H shares of the Company on the Stock Exchange during the year ended December 31, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

22. TRADE, BILLS AND OTHER RECEIVABLES (Continued)

As at January 1, 2024, trade receivables from contracts with customers amounted to RMB14,025,000.

For customers in the Chinese Mainland, the Group generally does not grant any credit period to the customers and requires advance payments from the customers before goods delivery. For customers outside of the Chinese Mainland, the Group generally does not grant any credit period to the customers and either requires customers to provide letters of credit issued by reputable banks or requires advance payments through telegraphic transfer from the customers before goods delivery.

The following is an aged analysis of trade receivables, net of impairment loss allowance, presented based on revenue recognition date at the end of the reporting period.

	2025 RMB'000	2024 RMB'000
Within 1 year	66,044	26,782
1 year to 2 years	101	1,231
More than 2 years	611	9
	66,756	28,022

At December 31, 2025, the Group's trade receivables of RMB66,756,000 (2024: RMB28,022,000) are past due but are not considered as in default because the management of the Group, according to the historical settlement pattern, industry practice and the Group's historical actual loss experience, had assessed that the probability of settlement from their customers was high.

The following is an aged analysis of bills receivables, net of impairment loss allowance, presented based on the issue dates of bills receivables.

	2025 RMB'000	2024 RMB'000
0 to 180 days	565,728	617,566

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

22. TRADE, BILLS AND OTHER RECEIVABLES (Continued)

Movements of impairment loss allowance on trade, bills and other receivables

Movement of impairment loss allowance at lifetime ECL on trade and bills receivables are as follows:

	Lifetime ECL (not credit- impaired)	Lifetime ECL (credit- impaired)	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2024	1,983	3,495	5,478
Impairment loss allowance recognised	5,257	–	5,257
At December 31, 2024	7,240	3,495	10,735
Impairment loss allowance recognised	917	–	917
Exchange realignment	(190)	–	(190)
At December 31, 2025	7,967	3,495	11,462

Movement of impairment loss allowance at lifetime ECL on other receivables are as follows:

	12m ECL	Lifetime ECL (credit- impaired)	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2024	660	16,818	17,478
Impairment loss allowance recognised	1,275	216	1,491
Write-offs	–	(10,239)	(10,239)
At December 31, 2024	1,935	6,795	8,730
Impairment loss allowance recognised (reversed)	491	(5)	486
At December 31, 2025	2,426	6,790	9,216

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

23. RECEIVABLES AT FVTOCI

	2025 RMB'000	2024 RMB'000
Receivables at FVTOCI comprise:		
Bills receivables	138,796	187,790

The Group's receivables at FVTOCI are bills receivables which have maturity dates at the end of the reporting period as follows:

	2025 RMB'000	2024 RMB'000
0 to 180 days	138,796	187,790

23A. TRANSFERS OF FINANCIAL ASSETS

At December 31, 2024, bills receivables of RMB9,001,000 (2025: Nil) had been discounted to certain banks to obtain bank loans on a full recourse basis. If the bills are not paid on maturity, the banks have the right to request the Group to pay the unsettled balance. For bills receivables discounted to banks on a full recourse basis, as the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount of bills receivables and has recognised the discounted amounts received as bank and other borrowings.

	Bills discounted to banks with full recourse 2024 RMB'000
Carrying amount of transferred assets	9,001
Carrying amount of associated liabilities	(9,001)
	—

As at December 31, 2025, the Group had derecognised bills discounted to banks or endorsed to certain suppliers on a full recourse basis amounting to RMB1,805,053,000 (2024: RMB2,745,373,000). These bills were issued or guaranteed by reputable banks in the Chinese Mainland with high credit ratings. The directors of the Company considered the substantial risks in relation to these bills were interest risk as the credit risk arising from these bills were minimal and as such, the Group had transferred substantially all the risks of these bills to relevant banks or suppliers. However, if the bills cannot be accepted at maturity, the banks or suppliers have the right to require the Group to pay off the outstanding balance. Therefore, the Group has retained continuing involvement in these bills.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

24. FINANCIAL ASSETS AT FVTPL

	2025 RMB'000	2024 RMB'000
Financial products (<i>note i</i>)	450,000	430,183
Equity investments (<i>note ii</i>)	174,295	–
Others	5,562	–
	629,857	430,183

Notes:

- (i) The financial products are unlisted investments and managed by licensed financial institutions in the Chinese Mainland. Pursuant to the entrusted agreements entered into by all relevant parties, these investments are principally allocated to certain financial assets, including bonds, trusts and cash funds.
- (ii) Equity investments represents investments in listed entities in Hong Kong. The fair value of the listed equity investments is measured based on their quoted market price.

During the year ended December 31, 2025, the Group entered into investment agreements with certain fund managers, pursuant to which the Group invested a total sum of RMB458,800,000 in structured entities operated by the said fund managers. Taking into consideration that the Group acts as the sole investor in these structured entities and has the right to dismiss and appoint the fund managers, the Group considers that it exercises control over the structured entities, and the structured entities have been consolidated in the consolidated financial statements. As the Group has redeemed certain portion of the investment funds, and taking into account of fair value changes for the year, the net asset value attributable to the Group in respect of these consolidated structured entities amounted to RMB279,296,000 as at December 31, 2025.

25. RESTRICTED BANK DEPOSITS/CASH AND CASH EQUIVALENTS

The Group's restricted bank deposits are deposited to banks for bank facilities granted to the Group, including bank borrowings, bills payables and issuance of letter of credit, and are therefore classified under current assets. The restricted bank deposits will be released upon the settlement of relevant bank borrowings, bills payables and letter of credit.

As at December 31, 2025, restricted bank deposits and bank balances carry interest at market rates ranging from 0.00% to 4.33% (2024: 0.00% to 4.80%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

26. TRADE, BILLS AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	746,059	961,347
Bills payables	1,714,316	725,543
	2,460,375	1,686,890
Payables for acquisition of property, plant and equipment (<i>note i</i>)	3,934,129	4,714,360
Payables for acquisition of intangible assets (<i>note ii</i>)	65,718	83,750
Deposits received from customers (<i>note iii</i>)	47,299	102,225
Accrued payroll and welfare	52,104	60,261
Other taxes payables	22,071	27,820
Amount due to an independent third party (<i>note iv</i>)	–	20,000
Accrued issue costs and listing expenses	5,344	11,040
Other payables	249,478	242,507
	4,376,143	5,261,963
	6,836,518	6,948,853
Analysed as:		
Current	3,990,582	3,800,785
Non-current	2,845,936	3,148,068
	6,836,518	6,948,853

Notes:

- (i) Amount included RMB2,798,180,000 (2024: RMB3,082,157,000) which bears interest ranging from 3.5% to 3.6% (2024: at 4.2%) per annum as at December 31, 2025 payable to the respective local governments as the Group's Chuzhou and Huai'an plants and their related ancillary buildings were constructed by the local governments on the Group's behalf. Pursuant to the investment cooperation agreements entered into with the respective local governments, the Group is entitled to lease the aforementioned buildings for a period of 6 years free of charge upon their completion and the Group is required to buy them back in the following 3 years.
- (ii) Amount represents the payables for acquisition of patent, which are due to independent third parties, non-trade in nature, unsecured, unguaranteed and interest-free. Amount included United States dollar ("USD") 7,548,000 (equivalent to RMB53,053,000) with payment schedule of over 1 year and its carrying amount at the date of inception is discounted at an imputed interest rate of 3.95% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

26. TRADE, BILLS AND OTHER PAYABLES (Continued)

Notes: (Continued)

(iii) Amount represents earnest deposits received by the Group in relation to framework agreements entered into with customers. These earnest deposits received with no specific purchase orders placed will either be offset with future purchase order transaction price or refunded to the customers upon maturity of the framework agreement.

(iv) Amount was non-trade in nature, secured by certain of Company's equity interests in Shangrao Hongye New Energy Co., Ltd.* (上饒市弘業新能源有限公司) ("Hongye New Energy"), unguaranteed, interest-free and repayable on demand. The amount has been settled in full during the year ended December 31, 2025.

* English name is for identification purpose

The silicon wafer suppliers generally do not allow any credit period to the Group, while other suppliers generally allow a credit period of 30 to 120 days.

The following is an aged analysis of trade payables presented based on the invoice dates at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Within 1 year	720,171	947,543
1 year to 2 years	20,354	10,995
Over 2 years	5,534	2,809
	746,059	961,347

The following is an aged analysis of bills payables presented based on issue dates at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
0 to 180 days	1,684,316	725,543
Over 180 days	30,000	-
	1,714,316	725,543

The bills payables have maturity dates at the end of the reporting period as follows:

	2025 RMB'000	2024 RMB'000
0 to 180 days	1,714,316	725,543

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

27. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Amounts received in advance in respect of sales of photovoltaic cell products	63,531	82,549

As at January 1, 2024, contract liabilities amounted to RMB474,622,000.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract liabilities that are expected to be settled within the Group's normal operating cycle are classified as current liabilities based on the Group's earliest obligation to transfer goods to the customers.

The following table shows how much of the revenue recognised that was included in the balance of contract liabilities at the beginning of the year.

	2025 RMB'000	2024 RMB'000
Sale of photovoltaic cell products	82,549	474,622

During the years ended December 31, 2025 and 2024, there were no revenue recognised that related to performance obligations that were satisfied in prior year.

28. BANK AND OTHER BORROWINGS

	2025 RMB'000	2024 RMB'000
Bank and other loans	5,761,033	5,337,936
Bank loans under supplier finance arrangements	-	40,000
	5,761,033	5,377,936

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

28. BANK AND OTHER BORROWINGS (Continued)

	2025 RMB'000	2024 RMB'000
Secured and unguaranteed (<i>note</i>)	1,314,696	1,793,266
Unsecured and unguaranteed	4,446,337	3,584,670
	5,761,033	5,377,936
The carrying amounts of the borrowings are repayable as follows:		
– within one year	3,105,326	2,491,935
– more than one year but not more than two years	1,178,669	1,381,469
– more than two years but not more than five years	1,477,038	1,504,532
	5,761,033	5,377,936
Less: Amount due within one year shown under current liabilities	(3,105,326)	(2,491,935)
	2,655,707	2,886,001

Note: These loans are secured by certain of the Company's equity interests in Hongye New Energy, the Group's machineries, bills receivables, receivables at FVTOCI and restricted bank deposits, and unguaranteed. Amounts included RMB400,000,000 payable to an independent third party which carries interest at 1-year Loan Prime Rate ("LPR") per annum as at December 31, 2025 and 2024. Pursuant to the relevant financing agreements, the Group transferred 40% equity interests in Hongye New Energy to the independent third party, and the Group is required to repurchase these 40% equity interests from the independent third party after 6 years since the date of transfer of the equity interests. In addition, pursuant to the relevant financing agreements, the independent third party has committed not to involve in the operating decision of Hongye New Energy and does not have any right for returns, thus, the independent third party is considered as a creditor without shareholder's rights. The independent third party is only entitled to the stated interest over the 6-year period.

The exposure of the Group's borrowings are as follows:

	2025 RMB'000	2024 RMB'000
Fixed-rate borrowings	1,802,167	2,525,694
Variable-rate borrowings	3,958,866	2,852,242
	5,761,033	5,377,936

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

28. BANK AND OTHER BORROWINGS (Continued)

The ranges of effective interest rates (which are also equal to contractual interest rates) on the Group's borrowings are as follows:

	2025	2024
Effective interest rates:		
Fixed-rate borrowings	1.50% to 7.18%	1.25% to 7.18%
Variable-rate borrowings	LPR-88 to LPR+80 basis points	LPR-75 basis points to 5-year LPR

In respect of certain of the Group's bank loans, the Group is required to comply with certain financial covenant terms throughout the term of the relevant loans and/or as long as the loans are outstanding. The Group has complied with the relevant financial covenant terms as at December 31, 2025 and 2024.

Bank loans under supplier finance arrangements

The Group has entered into certain supplier finance arrangements with banks. Under these arrangements, the banks pay suppliers the amounts owed by the Group in advance of the original due dates at a discount offered by the suppliers. The Group's obligations to suppliers are legally extinguished on settlement by the relevant banks. The Group then settles with the banks within 1 year after settlement by the banks with interest rate at 3.1% per annum. These arrangements have extended the payment terms, which may be extended beyond the original due dates of respective invoices. The interest rates are consistent with the Group's short-term borrowing rates. The outstanding balance of borrowings under such arrangements was RMB40,000,000 at December 31, 2024 (2025: Nil).

29. LEASE LIABILITIES

	2025 RMB'000	2024 RMB'000
Lease liabilities payable:		
Within one year	1,622	2,170
Within a period of more than one year but not exceeding two years	1,690	1,642
Within a period of more than two years but not exceeding five years	2,214	3,494
	5,526	7,306
Less: Amounts due for settlement within 12 months shown under current liabilities	(1,622)	(2,170)
Amounts due for settlement after 12 months shown under non-current liabilities	3,904	5,136

At December 31, 2025, the Group's incremental borrowing rate(s) applied to lease liabilities is 4.21% (2024: range from 4.21% to 8.66%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

30. DEFERRED INCOME

During the year ended December 31, 2025, the Group received government subsidies of RMB110,563,000 (2024: RMB461,696,000), whose primary condition is that the Group should purchase, construct, or otherwise acquire non-current assets and undertake research and development projects. The amounts of RMB99,286,000 (2024: RMB703,462,000) have been deducted from the carrying amount of the relevant assets for the year ended December 31, 2025. These amounts are transferred to profit or loss in the form of other income, reduction of finance costs or reduced depreciation charges over the useful lives of the relevant assets. At December 31, 2025, an amount of RMB21,074,000 (2024: RMB28,385,000) was recorded as deferred income as such government subsidies were received, but the Group had not yet met the relevant conditions and/or purchased, constructed or otherwise acquired the related non-current assets.

31. DISPOSAL OF A SUBSIDIARY

On October 30, 2025, the Group entered into share transfer agreements with certain independent third parties, pursuant to which the Group agreed to sell 100% equity interests in Gobez Electric Manufacturing Plc (“Gobez”) for a total cash consideration of USD19,802,000 (equivalent to RMB140,115,000). The disposal of Gobez was completed on December 1, 2025 upon completion of the share transfer registration. The consideration was fully settled in December 2025.

Analysis of assets and liabilities over which control was lost

	<u>RMB'000</u>
Property, plant and equipment	110,968
Inventories	1,683
Trade and other receivables	437
Cash and cash equivalents	22,627
Trade and other payables	(2,914)
	<hr/>
Net assets disposed of	132,801

Consideration received

	<u>RMB'000</u>
Cash received	140,115

Gain on disposal of a subsidiary

	<u>RMB'000</u>
Consideration received	140,115
Less: Net assets disposed of	(132,801)
	<hr/>
Gain on disposal of a subsidiary	7,314

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

31. DISPOSAL OF A SUBSIDIARY (Continued)

Net cash inflow arising on disposal

	RMB'000
Cash consideration	140,115
Less: Cash and cash equivalents disposed of	(22,627)
	117,488

32. SHARE CAPITAL

	Domestic listed A shares RMB'000	Overseas listed H shares RMB'000	Total RMB'000	Number of shares '000
Ordinary shares at par value of RMB1				
As at January 1, 2024	227,395	–	227,395	227,395
Issuance of shares upon exercise of share options	1,757	–	1,757	1,757
As at December 31, 2024	229,152	–	229,152	229,152
Issuance of new shares upon global offering of H shares (<i>note</i>)	–	63,432	63,432	63,432
As at December 31, 2025	229,152	63,432	292,584	292,584

Note: In connection with the global offering of H shares, 63,432,300 ordinary shares of RMB1 par value each were issued at HK\$22.15 per share on May 8, 2025 with gross cash proceeds of HK\$1,405,025,000 (equivalent to RMB1,305,388,000), of which RMB63,432,000 was recognised in share capital and RMB1,241,956,000 was recognised in share premium.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

33. SHARE-BASED PAYMENT

Equity-settled share option scheme of the Company

The Company's 2021, 2022 and 2023 share incentive plan was adopted pursuant to resolutions passed on November 16, 2021, May 28, 2022, and January 16, 2023, respectively (the "2021 Incentive Plan", "2022 Incentive Plan" and "2023 Incentive Plan"). The primary purpose of these incentive plans is to promote the success of the Company and the interests of its shareholders by providing a means through which the Company may grant equity-based incentives to attract, motivate, retain and reward employees and directors and to further link the eligible persons' interests with those of the Company's shareholders generally.

The vesting of the share options granted is subject to the eligible person remaining at all times after the date of granting and on the vesting date an eligible person of these incentive plans. Share options granted under these incentive plans consist of first-granted share options and reserved share options, and the validity period of the share options of 2021 Incentive Plan, 2022 Incentive Plan and 2023 Incentive Plan shall be maximum 4 years, 6 years and 4 years from the date of grant and the share options shall lapse at the expiry of the validity period, respectively, of different batches. The share options shall have the vesting periods based on the achievement level of the performance target of each relevant grantee set by the board of directors of the Company for different batches as follows:

- (i) 30%, 30% and 40% of the share options shall vest each time on the first, second and third anniversary of the vesting commencement date;
- (ii) 50% and 50% of the share options shall vest each time on the first and second anniversary of the vesting commencement date;
- (iii) 50% and 50% of the share options shall vest each time on the fifth and sixth anniversary of the vesting commencement date.

A share option shall be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favour of or enter into any agreement with any other person over or in relation to such share option.

In April 2024, the Company declared cash dividend. Accordingly, the management of the Group adjusted the exercise price and numbers of all outstanding options in 2023 and the exercise price in 2024, respectively, on a pro rata basis to the share options granted under 2021, 2022 and 2023 Incentive Plan, which is in accordance with the Management Measures for Equity Incentives of Listed Companies (上市公司股權激勵管理辦法) and the terms of the respective incentive plans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

33. SHARE-BASED PAYMENT (Continued)

Equity-settled share option scheme of the Company (Continued)

The table below discloses movements of the share options held by grantees under 2021, 2022 and 2023 Incentive Plan:

For the year ended December 31, 2025

Option	Name of grantee	Date of grant	Exercise price after adjustment in 2024	Outstanding at January 1, 2025	Lapsed/ forfeited during the year	Outstanding at December 31, 2025
Option B	Employees	June 13, 2022	RMB42.40	55,106	(55,106)	-
Option B	Directors	June 13, 2022	RMB42.40	25,166	(25,166)	-
Option C	Employees	July 15, 2022	RMB62.88	246,210	(246,210)	-
Option E	Employees and key management	February 2, 2023	RMB104.98	1,214,905	(1,214,905)	-
Option E	Directors	February 2, 2023	RMB104.98	443,330	(443,330)	-
Option G	Employees	October 13, 2023	RMB74.24	1,021,350	(1,021,350)	-
Option H	Employees	March 15, 2024	RMB59.48	316,200	(316,200)	-
				3,322,267	(3,322,267)	-
						-
				RMB86.57	RMB86.57	-

Exercisable at the end of the year

Weighted average exercise price

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

33. SHARE-BASED PAYMENT (Continued)

Equity-settled share option scheme of the Company (Continued)

For the year ended December 31, 2024

Option	Name of grantee	Date of grant	Exercise price (before and after adjustment in 2024)	Outstanding at January 1, 2024	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at December 31, 2024
Option A	Employees	December 6, 2021	RMB28.47/ 27.72	1,719,497	-	(757,891)	(961,606)	-
Option A	Directors	December 6, 2021	RMB28.47/ 27.72	411,035	-	(176,158)	(234,877)	-
Option B	Employees	June 13, 2022	RMB43.15/ 42.40	1,136,071	-	(493,925)	(587,040)	55,106
Option B	Directors	June 13, 2022	RMB43.15/ 42.40	338,335	-	-	(313,169)	25,166
Option C	Employees	July 15, 2022	RMB63.63/ 62.88	497,305	-	-	(251,095)	246,210
Option D	Employees	January 16, 2023	RMB43.15/ 42.40	469,055	-	(227,541)	(241,514)	-
Option E	Employees and key management	February 2, 2023	RMB105.73/ 104.98	2,342,341	-	-	(1,127,436)	1,214,905
Option E	Directors	February 2, 2023	RMB105.73/ 104.98	633,330	-	-	(190,000)	443,330
Option F	Employees	May 23, 2023	RMB43.15/ 42.40	203,420	-	(101,711)	(101,709)	-
Option G	Employees	October 13, 2023	RMB74.99/ 74.24	3,034,860	-	-	(2,013,510)	1,021,350
Option H	Employees	March 15, 2024	RMB60.23/ 59.48	-	1,160,964	-	(844,764)	316,200
				10,785,249	1,160,964	(1,757,226)	(6,866,720)	3,322,267
Exercisable at the end of the year								2,058,503
Weighted average exercise price				RMB67.42	RMB60.23	RMB35.09	RMB64.12	RMB86.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

33. SHARE-BASED PAYMENT (Continued)

Equity-settled share option scheme of the Company (Continued)

The Black-Scholes option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the best estimate of directors of the Company. Changes in variables and assumptions may result in changes in the fair value of the options. These fair values and corresponding inputs into the model were as follows:

	2024
Grant date option fair value per share	RMB14.92–RMB17.61
Exercise price	RMB60.23
Expected volatility	17.74%–19.73%
Expected life	2 years
Risk-free rate	1.50%–2.10%
Expected dividend yield	0.36%–0.46%

For the year ended December 31, 2025, the Group's total share-based payment expenses reversed in the consolidated statement of profit or loss and other comprehensive income in relation to share options granted by the Company is RMB17,832,000 (2024: RMB15,997,000), which is mainly due to the reason that considering the downward market trend, the management of the Group did not expect the vesting conditions which are tied to the financial performance of the Group are to be met.

34. PLEDGE OF OR RESTRICTIONS ON ASSETS

The following assets have been pledged or are restricted at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Property, plant and equipment	863,805	923,070
Right-of-use assets	120,997	123,580
Bills receivables	1,109	9,001
Refundable deposits	38,797	–
Receivables at FVTOCI	–	22
Restricted bank deposits	1,460,901	919,356
	2,485,609	1,975,029

35. CAPITAL COMMITMENTS

	2025 RMB'000	2024 RMB'000
Capital expenditure in respect of acquisition of property, plant and equipment and intangible assets contracted for but not provided in the consolidated financial statements	117,352	211,207

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

36. RECONCILIATION OF ASSETS AND LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's assets and liabilities arising from financing activities, including both cash and non-cash changes. Assets and liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Amount due to an independent third party	Lease liabilities	Dividends payable	Bank and other borrowings	Deposits paid for sales and leaseback arrangement	Payables for acquisition of property, plant and equipment	Payables for acquisition of intangible assets	Deferred issue costs, prepayment for listing expenses and accrued issue costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	20,000	4,284	-	4,331,101	(49,750)	3,258,939	-	(2,471)	7,562,103
Financing cash flows	-	(1,833)	(170,015)	1,122,414	-	(257,118)	(19,092)	(23,097)	651,259
Non-cash changes									
Dividend declared	-	-	170,015	-	-	-	-	-	170,015
Listing expenses	-	-	-	-	-	-	-	5,236	5,236
Addition of lease	-	7,919	-	-	-	-	-	-	7,919
Termination of lease	-	(3,346)	-	-	-	-	-	-	(3,346)
Additions of intangible assets	-	-	-	-	-	-	97,789	-	97,789
Offset with restricted bank deposits	-	-	-	(224,300)	-	-	-	-	(224,300)
Interest expenses	-	282	-	110,228	-	103,407	1,977	-	215,894
Offset with bank and other borrowings	-	-	-	(49,471)	49,471	-	-	-	-
Recognition of VAT	-	-	-	47,964	279	14,862	-	-	63,105
Supplier finance arrangements (note 28)	-	-	-	40,000	-	-	-	-	40,000
Adjustment on completion of construction in progress	-	-	-	-	-	13,273	-	-	13,273
Exchange difference	-	-	-	-	-	-	1,248	-	1,248
At December 31, 2024	20,000	7,306	-	5,377,936	-	3,133,363	81,922	(20,332)	8,600,195
Financing cash flows	(20,000)	(1,964)	-	641,047	-	(318,035)	(19,185)	(75,290)	206,573
Non-cash changes									
Listing expenses	-	-	-	-	-	-	-	98,585	98,585
Addition of lease	-	6,724	-	-	-	-	-	-	6,724
Termination of lease	-	(6,805)	-	-	-	-	-	-	(6,805)
Interest expenses	-	265	-	179,426	-	90,459	1,971	-	272,121
Offset with trade and other payables	-	-	-	70,000	-	(30,340)	-	-	39,660
Offset with restricted bank deposits	-	-	-	(507,220)	-	-	-	-	(507,220)
Recognition of VAT	-	-	-	(156)	-	6,358	-	-	6,202
Exchange difference	-	-	-	-	-	-	(386)	187	(199)
At December 31, 2025	-	5,526	-	5,761,033	-	2,881,805	64,322	3,150	8,715,836

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

37. INFORMATION OF SUPPLIER FINANCE ARRANGEMENTS

	2025 RMB'000	2024 RMB'000
Carrying amount of the financial liabilities that are subject to supplier finance arrangements		
Presented as part of "bank and other borrowings" (note 28)		
– of which suppliers have already received payment from the finance provider	–	40,000
Range of payment due dates		
For liabilities presented as part of "bank and other borrowings":		
– Liabilities that are part of supplier finance arrangements	–	365
– Comparable trade payables that are not part of supplier finance arrangements	–	30–120 days

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. During the year ended December 31, 2024, borrowings under supplier finance arrangement of RMB40,000,000 represent the payments to the suppliers by the relevant banks directly. There were no other material non-cash changes in these liabilities.

38. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt, which includes amount due to an independent third party of non-trade nature, bank and other borrowings and lease liabilities disclosed in notes 26, 28 and 29, respectively, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares, new debts or the redemption of existing debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
Amortised cost	5,208,067	4,238,544
Equity instrument at FVTOCI	93,154	–
Receivables at FVTOCI	138,796	187,790
Financial assets at FVTPL	629,857	430,183
	6,069,874	4,856,517
Financial liabilities		
Amortised cost	12,476,076	12,136,483
Financial liabilities at FVTPL	2,915	–
	12,478,991	12,136,483

Financial risk management objectives and policies

The Group's major financial instruments include trade, bills and other receivables, receivables at FVTOCI, financial assets at FVTPL, equity instrument at FVTOCI, restricted bank deposits, cash and cash equivalents, trade, bills and other payables, bank and other borrowings and financial liabilities at FVTPL. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The primary economic environment in which the principal subsidiaries of the Company operate is the PRC and their functional currency is RMB. However, certain transactions of the principal subsidiaries including sales of goods are denominated in foreign currencies.

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities other than the functional currencies of the relevant group entities at the end of the reporting period are as follows:

	2025 RMB'000	2024 RMB'000
Assets		
USD	899,744	698,993
Liabilities		
USD	(58,866)	(68,955)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currency. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A negative number below indicates an increase in post-tax loss for the year and where RMB strengthens 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the post-tax loss for the year and the amounts below would be positive.

	2025 RMB'000	2024 RMB'000
USD impact	(31,305)	(26,777)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate certain cash and cash equivalents, payables for acquisition of property, plant and equipment, bank and other borrowings and lease liabilities (details are set out in notes 25, 26, 28 and 29, respectively). The Group currently does not have formal interest rate hedging policies. The management of the Group monitors the Group's exposures on an on-going basis and will consider hedging interest rate risk should the need arise.

The Group is also exposed to cash flow interest rate risk in relation to floating-rate restricted bank deposits, certain cash and cash equivalents and bank and other borrowings (details are set out in notes 25 and 28).

In the opinion of the management of the Group, the exposure of cash flow interest rate risk arising from floating-rate restricted bank deposits, cash and cash equivalents and bank and other borrowings is insignificant and thus no sensitivity analysis is prepared.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Other price risk

The Group is exposed to equity price risk through its investments in equity investments measured at FVTPL and FVTOCI. For equity investments measured at FVTPL which are listed in Hong Kong, the management of the Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group also invested in an unquoted equity security for an investee operating in the photovoltaic cells industry for long-term strategic purposes which had been designated as FVTOCI. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to equity price risk at the end of the reporting period. If the prices of the respective equity instruments had been 10% higher/lower, the post-tax loss for the year ended December 31, 2025 would decrease/increase by RMB14,299,000 (2024: N/A) as a result of the changes in fair value of equity investments at FVTPL. The sensitivity analysis of the price risk for the equity instrument at FVTOCI is not provided as the amount is considered insignificant.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to its trade, bills and other receivables, receivables at FVTOCI, restricted bank deposits and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

The Group performed impairment assessment for financial assets under ECL model.

Trade and bill receivables

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivables at the end of the reporting period to ensure that adequate impairment losses allowance are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The Group does not have significant credit risk exposures to any single customer. The Group has concentration of credit risk accounted as 14.54% (2024: 3.41%) of the total trade and bill receivables was due from the Group's five largest customers at December 31, 2025.

In addition, the Group performs impairment assessment under ECL model on trade and bills receivables with high credit risk and that are credit-impaired individually. The remaining trade and bills receivables are assessed collectively by using a provision matrix.

Other receivables

For other receivables, the management of the Group makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment (Continued)

Receivables at FVTOCI/restricted bank deposits/bank balances

The Group's receivables at FVTOCI, restricted bank deposits and bank balances are determined to have low credit risk at the end of the reporting period. The credit risks on receivables at FVTOCI, restricted bank deposit and bank balances are limited because the counterparties are reputable banks and the risk of inability to pay or redeem is low.

The Group's internal credit risk grading assessment comprises the following categories:

Categories	Descriptions	Basis for recognising ECL
Performing	For financial assets where there is low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit-impaired	Trade receivables Lifetime ECL – not credit-impaired Other receivables – 12m ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired	Lifetime ECL – not credit-impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

	Internal credit ratings	12-month or lifetime ECL	Gross carrying amount	
			2025 RMB'000	2024 RMB'000
Financial assets at amortised cost				
Trade and bills receivables	<i>(note)</i>	Lifetime ECL (provision matrix)	640,451	652,828
	Default	Lifetime ECL (credit-impaired)	3,495	3,495
Other receivables	Performing	12m ECL	130,938	66,054
Receivables at FVTOCI	Performing	12m ECL	138,796	187,790
Restricted bank deposits	Performing	12m ECL	1,460,901	919,356
Bank balances	Performing	12m ECL	2,992,960	2,616,276

Note: For trade and bills receivables, the Group has applied the simplified approach in IFRS 9 to measure the impairment loss allowance at lifetime ECL. Except for trade and bills receivables with high credit risk and that are credit-impaired, the Group determines the ECL on trade and bills receivables collectively by using a provision matrix.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment (Continued)

Provision matrix

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers because these customers consist of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired). Trade and bills receivables that are credit-impaired of RMB3,495,000 (2024: RMB3,495,000) were assessed individually. No trade and bills receivables are assessed as having high credit risks.

Trade receivables

	Gross carrying amount	
	2025	2024
	RMB'000	RMB'000
Trade receivables aged		
Within 1 year	68,086	27,609
1 year to 2 years	112	1,368
Over 2 years	811	47
	69,009	29,024

Bill receivables

	Gross carrying amount	
	2025	2024
	RMB'000	RMB'000
0-180 days	571,442	623,804

The estimated loss rates are estimated based on past default experience of the debtors adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Liquidity risk

The management of the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The Group entered into supplier finance arrangement to ease access to credit for its suppliers and facilitate early settlement to the suppliers. Only small portion of the Group's bank borrowings is subject to supplier finance arrangements. Therefore, the management of the Group does not consider the supplier finance arrangement result in significant liquidity risk of the Group. Details of the arrangements are set out in note 28.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest cash flows are based on variable rate, the undiscounted amount is derived based on management's best estimates at the end of the reporting period.

	Weighted average effective interest rate	On demand RMB'000	Within 6 months RMB'000	6 months to 1 year RMB'000	Over 1 year RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
2025							
Trade, bills and other payables							
– interest-free	-	2,009,959	1,714,316	49,250	9,819	3,783,344	3,783,344
Payables for acquisition of property, plant and equipment included in trade, bills and other payables	3.60%	83,625	50,367	50,367	3,177,044	3,361,403	2,881,805
Payables for acquisition of intangible assets	3.95%	-	13,475	-	39,578	53,053	49,894
Lease liabilities	4.21%	-	910	910	4,095	5,915	5,526
Bank and other borrowings							
– fixed rate	2.27%	-	452,028	693,371	658,964	1,804,363	1,802,167
– variable rate	2.96%	-	1,195,164	912,017	2,078,044	4,185,225	3,958,866
		2,093,584	3,426,260	1,705,915	5,967,544	13,193,303	12,481,602

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	Weighted average effective interest rate	On demand RMB'000	Within 6 months RMB'000	6 months to 1 year RMB'000	Over 1 year RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
2024							
Trade, bills and other payables							
– interest-free	–	2,674,092	725,543	141,306	14,729	3,555,670	3,555,670
Payables for acquisition of property, plant and equipment included in trade, bills and other payables	3.60%	58,035	48,644	55,479	3,603,529	3,765,687	3,140,192
Payables for acquisition of intangible assets	3.95%	–	13,475	–	54,340	67,815	62,685
Lease liabilities	4.30%	–	1,964	–	5,460	7,424	7,306
Bank and other borrowings							
– fixed rate	3.27%	–	817,361	786,731	1,015,822	2,619,914	2,525,694
– variable rate	3.00%	–	339,873	664,573	2,011,081	3,015,527	2,852,242
		2,732,127	1,946,860	1,648,089	6,704,961	13,032,037	12,143,789

Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Fair value hierarchy as at December 31, 2025

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Equity instrument at FVTOCI	–	–	93,154	93,154
Receivables at FVTOCI	–	138,796	–	138,796
Financial assets at FVTPL				
– Financial products	–	450,000	–	450,000
– Equity investments	174,295	–	–	174,295
– Others	–	–	5,562	5,562

Fair value hierarchy as at December 31, 2024

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Receivables at FVTOCI	–	187,790	–	187,790
Financial assets at FVTPL				
– Financial products	–	430,183	–	430,183

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Fair value hierarchy as at December 31, 2024 (Continued)

Financial assets	Fair value as at December 31,		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input(s)
	2025 RMB'000	2024 RMB'000			
Equity instrument at FVTOCI	93,154	–	Level 3	Underlying value of assets and liabilities	Net assets value
Receivables at FVTOCI	138,796	187,790	Level 2	Income approach – in this approach, the discounted cash flow method is used to capture the present value of the cash flows to be derived from the receivables using a discount rate that reflects the credit risk of the corresponding banks which are observable	N/A
Financial assets at FVTPL					
– Financial products	450,000	430,183	Level 2	Discounted cash flow method, estimated based on expected return and market interest rate	N/A
– Equity investments	174,295	–	Level 1	Quoted bid market price in an active market	N/A
– Others	5,562	–	Level 3	Net asset value of the underlying investments value	Net assets value

There were no transfers between level 1, 2 and 3 during the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

39. FINANCIAL INSTRUMENTS *(Continued)*

Fair value measurements of financial instruments *(Continued)*

Reconciliation of Level 3 fair value measurements

	Equity instrument at FVTOCI RMB'000	Financial assets at FVTPL RMB'000
At January 1, 2024 and December 31, 2024		
Losses recognised in profit or loss	–	(441)
Purchases	93,154	6,003
At December 31, 2025	93,154	5,562

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group considers the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

The fair values of these financial assets and financial liabilities at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

40. MAJOR NON-CASH TRANSACTIONS

During the year ended December 31, 2025, the Group's trade receivables of RMB138,261,000 (2024: RMB1,343,345,000) was net off with the corresponding amounts of trade payables according to the offset agreements based on the settlement mode with certain customers and suppliers. Part of the consideration for the purchase of property, plant and equipment and materials during the year was settled by bills receivable.

During the year ended December 31, 2025, the amount of the endorsements in respect of purchase of property, plant and equipment was RMB544,357,000 (2024: RMB440,268,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

41. RELATED PARTY DISCLOSURES

The Group has the following significant related party transactions.

(a) Lease

	2025 RMB'000	2024 RMB'000
Hainan Xinsu Mould Plastic Industrial Trade Co., Ltd.* (海南新蘇模塑工貿有限公司) (“Hainan Xinsu”)		
– Lease liability as at December 31	–	140
– Rental expense of software for the year ended December 31	135	135
– Interest on lease liabilities for the year ended December 31	4	15

Hainan Xinsu is an entity controlled by Hainan Yang Family Technology Investment Co., Ltd.* (海南楊氏家族科技投資有限公司), a shareholder of the Company.

* *English name is for identification purpose*

(b) Compensation of key management personnel

	2025 RMB'000	2024 RMB'000
Salaries and other benefits	8,686	8,543
Retirement benefit scheme contributions	146	154
Discretionary performance-related bonus	237	1,064
Share-based payment expenses	(5,673)	(2,215)
	3,396	7,546

The remuneration of key management personnel (being the chairman and directors of the Company and other key management of the Group) is determined with reference to the performance of individuals and market trends.

42. RETIREMENT BENEFITS PLANS

The employees of the Group in the Chinese Mainland are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The subsidiaries in the Chinese Mainland are required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions.

For the year ended December 31, 2025, the total amount provided by the Group to the scheme or plans in the PRC and charged to profit or loss is RMB24,760,000 (2024: RMB34,431,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Right-of-use assets	–	62
Intangible assets	261	293
Deferred tax assets	97,082	64,445
Investments in subsidiaries	4,418,084	4,726,555
	4,515,427	4,791,355
CURRENT ASSETS		
Trade, bills and other receivables	430,651	392,546
Receivables at FVTOCI	677	15,144
VAT recoverable	148,215	4,402
Financial assets at FVTPL	100,000	30,183
Restricted bank deposits	25,097	21,000
Cash and cash equivalents	1,073,687	256,881
	1,778,327	720,156
CURRENT LIABILITIES		
Trade, bills and other payables	1,073,250	901,073
Contract liabilities	561,082	574,491
Bank and other borrowings	44,741	13,678
Lease liabilities	–	140
	1,679,073	1,489,382
NET CURRENT ASSETS (LIABILITIES)		
	99,254	(769,226)
TOTAL ASSETS LESS CURRENT LIABILITIES		
	4,614,681	4,022,129
NON-CURRENT LIABILITY		
Bank and other borrowings	159,302	121,852
NET ASSETS		
	4,455,379	3,900,277
CAPITAL AND RESERVES		
Share capital	292,584	229,152
Treasury shares	(100,956)	(100,956)
Reserves	4,263,751	3,772,081
TOTAL EQUITY		
	4,455,379	3,900,277

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY *(Continued)*

The movement of the reserves of the Company is as follows:

	Share premium	Capital surplus reserve	Share-based payment reserve	Other reserve	Retained profits (accumulated losses)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	3,502,721	55,892	177,660	4,759	180,327	3,921,359
Loss and total comprehensive expense for the year	-	-	-	-	(21,297)	(21,297)
Dividends recognised as distribution	-	-	-	-	(170,015)	(170,015)
Reversal of equity-settled share-based payment expenses	-	-	(15,997)	-	-	(15,997)
Repurchase of ordinary shares	(42)	-	-	-	-	(42)
Reversal of deferred tax assets arising from share-based payment expenses	-	-	(1,840)	-	-	(1,840)
Exercise of share options	63,155	-	(4,122)	880	-	59,913
At December 31, 2024	3,565,834	55,892	155,701	5,639	(10,985)	3,772,081
Loss and total comprehensive expense for the year	-	-	-	-	(633,869)	(633,869)
Issue of new shares upon global offering of H shares	1,241,956	-	-	-	-	1,241,956
Transaction costs attributable to issue of new shares	(98,585)	-	-	-	-	(98,585)
Reversal of equity-settled share-based payment expenses	-	-	(17,832)	-	-	(17,832)
At December 31, 2025	4,709,205	55,892	137,869	5,639	(644,854)	4,263,751

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2025

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries held by the Company at the end of the reporting period are set out below:

Name of subsidiaries	Principal place of operation and incorporation	Paid-in capital	Shareholding/ equity interest attributable to the Group		Principal activities
			2025	2024	
Directly					
Jietai Technology [#]	The PRC	RMB902,000,000	100%	100%	Manufacturing and sales of photovoltaic cells
Jietai New Energy Technology (HK) Limited (捷泰新能源科技(香港)有限公司)	Hong Kong	HK\$110,200,000	100%	100%	Trading of photovoltaic cells
Huai'an Jietai [#]	The PRC	RMB1,500,000,000	100%	100%	Manufacturing and sales of photovoltaic cells
Hongye New Energy [#] (note)	The PRC	RMB1,250,000,000	100%	100%	Manufacturing and sales of photovoltaic cells
Indirectly					
Shangrao Minghong New Energy Technology Co., Ltd.* (上饒市明弘新能源科技有限公司) [#]	The PRC	–	100%	100%	Manufacturing and sales of photovoltaic cells
Chuzhou Jietai [#]	The PRC	RMB1,200,000,000	100%	100%	Manufacturing and sales of photovoltaic cells
Jietai New Energy Technology (Suzhou) Co., Ltd.* (捷泰新能源科技(蘇州)有限公司) [#]	The PRC	RMB10,000,000	100%	100%	Manufacturing and sales of photovoltaic cells
Jietai New Energy Investment (HK) Limited (捷泰新能源投資(香港)有限公司)	Hong Kong	HK\$103,400,000	100%	100%	Trading of photovoltaic cells and investment
Jietai New Energy Technology OM (FZC) SPC	Oman	Omani Rial 50,000	100%	100%	Manufacturing and sales of photovoltaic cells
昱泰新能源貿易(香港)有限公司(Yutai New Energy Trading (HK) Limited)	Hong Kong	HKD1,000,000	100%	N/A	Trading of photovoltaic cells
昱泰新能源投資(香港)有限公司(Yutai New Energy Investment (HK) Limited)	Hong Kong	USD200,000	100%	N/A	Investment holding

[#] Limited liability companies.

^{*} English name is for identification purpose

Note: Pursuant to the relevant financing arrangements, the registered shareholder for the 40% equity interests of Hongye New Energy was in fact a creditor without shareholder's right and the Group still held 100% of its beneficial interest and shareholders right in Hongye New Energy. Details are disclosed in note 28.

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

None of the subsidiaries had issued any debt securities at the end of the year.

45. EVENT AFTER THE REPORTING PERIOD

Subsequent to December 31, 2025, the Group completed a placing which took place on February 2, 2026 in accordance with the terms and conditions of the placing agreement. Through the placing agents, the Company issued an aggregate of 18,682,000 new H shares at a placing price of HK\$22.00 per share.

FOUR-YEAR FINANCIAL SUMMARY

	For the year ended December 31,			
	2025	2024	2023	2022
	(RMB'000, except percentage)			
Operating Results				
Revenue	7,597,846	9,923,894	18,610,794	11,085,713
Gross (loss) profit	(517,446)	(85,058)	1,696,108	1,215,343
(Loss) profit before tax	(1,370,328)	(731,419)	744,489	679,936
(Loss) profit for the year	(1,415,788)	(591,113)	815,642	820,987
Total comprehensive (expense) income for the year	(1,416,140)	(591,090)	815,642	820,987
Profitability				
Gross margin	(6.8)%	(0.9)%	9.1%	11.0%
Profit margin	(18.6)%	(6.0)%	4.4%	7.4%
Financial Position				
Total assets	16,402,466	16,444,209	17,925,955	8,839,676
Total liabilities	12,742,638	12,557,212	13,216,715	7,788,846
Total equity	3,659,828	3,886,997	4,709,240	1,050,830

DEFINITIONS

“A Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in RMB and is/are listed for trading on the Shenzhen Stock Exchange
“A Shareholder(s)”	holder(s) of the A Share(s)
“Acting-in-Concert Agreement”	the acting-in-concert agreement entered into among the Yang Family (namely, Mr. Lu Xuyang (陸徐楊), Mr. Yang Renyuan (楊仁元), Ms. Lu Huifen (陸惠芬), Mr. Xu Xiaoping (徐曉平), Ms. Lu Xiaohong (陸小紅), Mr. Xu Weidong (徐衛東), Ms. Lu Yuhong (陸玉紅), Mr. Xu Yong (徐勇), and Ms. Lu Xiaowen (陸小文)) on November 30, 2013, as supplemented on April 23, 2020 and April 23, 2023, pursuant to which the members of Yang Family agreed and would continue to act in concert by aligning their votes when exercising their voting rights at the shareholders’ meetings in the Group
“AGM”	the 2025 annual general meeting of the Company to be held on Wednesday, May 27, 2026
“Articles of Association”	the articles of association of the Company as amended from time to time
“associates”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
“China” or “PRC”	the People’s Republic of China, unless the context requires otherwise, excluding, for the purposes of this document only, the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China
“Chuzhou Jietai”	Chuzhou Jietai New Energy Technology Co., Ltd. (滁州捷泰新能源科技有限公司), a limited liability company established in the PRC on December 14, 2021 and a wholly-owned subsidiary of the Company
“Company”	Hainan Drinda New Energy Technology Co., Ltd. (海南鈞達新能源科技股份有限公司) (formerly known as Hainan Drinda Automotive Trim Co., Ltd. (海南鈞達汽車飾件股份有限公司)), a limited liability company incorporated in the PRC on April 3, 2003, which was converted into a joint stock company with limited liability on August 21, 2012, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 002865.SZ) and the H Shares of which are listed on the Hong Kong Stock Exchange (stock code: 2865.HK)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Dividends Distributions”	including: (i) on April 17, 2023, the Company distributed dividends of 0.398 Share and RMB0.5971 per ordinary Share to then existing Shareholders. As a result, the Company issued an aggregate 56,609,710 A Shares for satisfying such dividends distribution in specie to all then Shareholders; and (ii) on April 26, 2024, the Company distributed dividends of RMB0.7462 per ordinary Share to then existing Shareholders
“Employee Incentive Schemes”	collectively, Employee Incentive Scheme 2021, Employee Incentive Scheme 2022, Employee Incentive Scheme 2023-A and Employee Incentive Scheme 2023-B, the principal terms of which are set out in “Statutory and General Information – Employee Incentive Schemes” in Appendix VI to the Prospectus
“ESG Committee”	the ESG committee of the Board
“Global Offering”	the global offering of H Shares, details of which were disclosed in the Prospectus
“Group”	the Company together with its subsidiaries
“H Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and traded in Hong Kong dollars and is/are listed on the Hong Kong Stock Exchange
“Hainan Jindi”	Hainan Jindi Technology Investment Co., Ltd. (海南錦迪科技投資有限公司), a limited liability company established in the PRC on December 3, 2010 whose equity interest was owned as to 80% by Yang Family Investment as of December 31, 2025 and is a member of the Single Largest Group of Shareholders
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

DEFINITIONS

“Huai’an Jietai”	Huai’an Jietai New Energy Technology Co., Ltd. (淮安捷泰新能源科技有限公司), a limited liability established in the PRC on October 13, 2022 and a wholly-owned subsidiary of the Company
“Independent Third Party(ies)”	any person(s) or entity(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not a connected person of the Company within the meaning of the Hong Kong Listing Rules
“Industrial Bank”	Industrial Bank Co., Ltd and its branches
“Jiangxi Uniex”	Jiangxi Uniex New Energy Co., Ltd. (江西展宇新能源股份有限公司), a limited liability company incorporated in the PRC on March 13, 2008
“Jietai Technology”	Shangrao Jietai New Energy Technology Co., Ltd. (上饒捷泰新能源科技有限公司), a limited liability company established in the PRC on December 6, 2019 and a wholly-owned subsidiary of the Company
“Jinko”	Jinko Solar Co., Ltd. (晶科能源股份有限公司), a STAR-listed company established in 2006 and headquartered in Shanghai. It focuses on integrated R&D and manufacturing of PV products
“Listing”	the listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
“Listing Date”	May 8, 2025, the date on which the H Shares are listed and on which dealings in the H Shares are first permitted to commence on the Hong Kong Stock Exchange
“Main Board”	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Hong Kong Listing Rules
“NEEQ”	the National Equities Exchange and Quotations Co., Ltd.
“Nomination Committee”	the nomination committee of the Board
“Overseas Plant”	the construction of an overseas PV cell production plant with an annualized production capacity of approximately 5 GW
“Placing”	the placing of a total of 18,682,000 new H Shares completed on February 2, 2026, pursuant to the placing agreement entered into by the Company on January 21, 2026

DEFINITIONS

“PRC Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“Prospectus”	the prospectus of the Company published on April 28, 2025
“PV”	photovoltaic
“R&D”	research and development
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Relevant Period”	from the Listing Date up to the end of the Reporting Period
“Reporting Period”	twelve months from January 1, 2025 to December 31, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, including both A Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Single Largest Group of Shareholders”	Yang Family, Yang Family Investment and Hainan Jindi
“Strategy Committee”	the strategy committee of the Board
“subsidiary(ies)”	has the meaning ascribed thereto under section 15 of the Companies Ordinance
“Supervisor(s)”	the supervisor(s) of the Company
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“USD”	U.S. dollar
“VAT”	value-added tax
“Yang Family”	Ms. Lu Xiaohong (陸小紅), Mr. Xu Xiaoping (徐曉平) and their family members including: Mr. Lu Xuyang (陸徐楊), Mr. Yang Renyuan (楊仁元), Ms. Lu Huifen (陸惠芬), Mr. Xu Weidong (徐衛東), Ms. Lu Yuhong (陸玉紅), Mr. Xu Yong (徐勇), and Ms. Lu Xiaowen (陸小文), each of them is a member of the Single Largest Group of Shareholders

DEFINITIONS

“Yang Family Investment”	Hainan Yang Family Technology Investment Co., Ltd. (海南楊氏家族科技投資有限公司), a limited liability company established in the PRC on November 4, 2010 whose equity interest was wholly owned by Yang Family as of December 31, 2025 and is a member of the Single Largest Group of Shareholders
“Yen”	Japanese Yen, the lawful currency of Japan
“%”	per cent

* *For identification purposes only*