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CHINA NUCLEAR ENERGY TECHNOLOGY CORPORATION LIMITED

中國核能科技集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 611)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS			
	Financial year ended		Change
	2025	2024	
Year ended 31 December	RMB'000	RMB'000	
Revenue	1,379,986	1,295,563	6.5%
Profit for the year	177,944	119,901	48.4%
Basic and diluted earnings per share <i>(RMB cents per share)</i>	10.17	6.16	65.1%
As at 31 December	2025	2024	Change
	RMB'000	RMB'000	
Total assets	10,758,847	10,323,470	4.2%
Net assets	1,893,349	1,711,215	10.6%

2025 ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Nuclear Energy Technology Corporation Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025 together with comparative figures for the year ended 31 December 2024. The annual results have been reviewed by the Audit Committee (as defined hereinafter).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
REVENUE	4	1,379,986	1,295,563
Cost of sales		<u>(859,854)</u>	<u>(829,983)</u>
Gross profit		520,132	465,580
Other income and gains	4	11,800	13,522
Administrative expenses		(103,402)	(98,603)
Reversal of impairment/(impairment losses) on trade and bills receivables and contract assets		781	(2,928)
Change in fair value of financial assets at fair value through profit or loss		1,573	1,573
Finance costs	6	(199,691)	(215,523)
Share of profits of an associate		<u>499</u>	<u>437</u>
PROFIT BEFORE TAX	5	231,692	164,058
Income tax expense	7	<u>(53,748)</u>	<u>(44,157)</u>
PROFIT FOR THE YEAR		<u>177,944</u>	<u>119,901</u>
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		<u>4,190</u>	<u>(16,226)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		<u>4,190</u>	<u>(16,226)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>182,134</u>	<u>103,675</u>

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Profit attributable to:			
Owners of the parent		188,308	114,136
Non-controlling interests		(10,364)	5,765
		<u>177,944</u>	<u>119,901</u>
 Total comprehensive income attributable to:			
Owners of the parent		192,498	97,910
Non-controlling interests		(10,364)	5,765
		<u>182,134</u>	<u>103,675</u>
 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	 <i>9</i>		
Basic and diluted			
– For profit for the year		<u>RMB10.17 cents</u>	<u>RMB6.16 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

		31 December 2025	31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		6,694,449	6,096,004
Right-of-use assets		440,598	392,741
Investment in an associate		6,819	6,320
Financial assets at fair value through profit or loss		30,400	45,334
Finance lease receivables	<i>10</i>	213,773	242,073
Loan receivables	<i>11</i>	3,653	6,937
Deferred tax assets		531	72
Prepayment for acquisition of property, plant and equipment	<i>12</i>	59,732	113,939
Total non-current assets		7,449,955	6,903,420
CURRENT ASSETS			
Trade and bills receivables	<i>13</i>	1,363,104	1,435,704
Contract assets	<i>14</i>	200,009	218,457
Finance lease receivables	<i>10</i>	25,680	24,283
Loan receivables	<i>11</i>	3,898	3,621
Prepayments, other receivables and other assets	<i>12</i>	774,801	805,220
Pledged bank deposits		143,440	100,894
Cash and cash equivalents		797,960	831,871
Total current assets		3,308,892	3,420,050

		31 December 2025	31 December 2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
CURRENT LIABILITIES			
Trade and bills payables	15	767,987	891,201
Contract liabilities	16	173,642	183,918
Other payables and accruals	17	107,635	144,484
Bank and other borrowings		2,271,200	2,098,277
Lease liabilities		13,661	17,303
Tax payable		15,630	9,830
		<u>3,349,755</u>	<u>3,345,013</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(40,863)</u>	<u>75,037</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>7,409,092</u>	<u>6,978,457</u>
NON-CURRENT LIABILITIES			
Bank and other borrowings		5,121,024	4,929,416
Lease liabilities		393,706	337,748
Deferred tax liabilities		1,013	78
		<u>5,515,743</u>	<u>5,267,242</u>
Total non-current liabilities		<u>5,515,743</u>	<u>5,267,242</u>
Net assets		<u>1,893,349</u>	<u>1,711,215</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		162,338	162,338
Reserves		1,703,357	1,510,859
		<u>1,865,695</u>	<u>1,673,197</u>
Non-controlling interests		<u>27,654</u>	<u>38,018</u>
Total equity		<u>1,893,349</u>	<u>1,711,215</u>

NOTES:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards Accounting Standards (which include all Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments which have been measured at fair value.

As at 31 December 2025, the Group’s current liabilities exceeded its current assets by RMB40,863,000. The Group’s current liabilities primarily comprise the current portion of bank and other borrowings and trade and bills payables of RMB2,271,200,000 and RMB767,987,000, respectively. Notwithstanding the above, the Directors of the Company are confident that the Group will be able to meet its liabilities as they fall due in the next twelve months, taking into account the forecast cash flows including the banking facilities available to the Group and the internally generated funds from operations. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

The functional currency of the Company is Hong Kong dollar (“**HK\$**”) and those of other group entities are mainly Renminbi (“**RMB**”). The presentation currency of the consolidated financial statements was RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

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

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

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

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

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

2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

In addition, the HKICPA has issued amendments to illustrative examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples and no material impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

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

- (a) the EPC and consultancy and general construction segment comprises the Group's EPC and consulting services operations relating to construction of photovoltaic power plants and general construction services;
- (b) the power generation segment comprises the Group's power generation operations; and
- (c) the financing segment comprises the Group's financing operations.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, dividend income, change in fair value of financial asset at fair value through profit or loss, gain on disposal of an associate, share of results of an associate as well as head office and corporate expenses are excluded from such measurement.

All assets are allocated to operating segments, except for certain property, plant and equipment, right-of-use assets, prepayment, other receivables and other assets and cash and cash equivalents of head office, financial asset at fair value through profit or loss and investment in an associate.

All liabilities are allocated to operating segments, except for other payables and accruals and bank borrowings of head office.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

All of the Group's revenue from external customers is derived from the Group's operations in the PRC. All external customers of the Group are located in the PRC. As at 31 December 2025, except for the property, plant and equipment amounting to RMB12,812,000 (2024: RMB15,016,000) which was located in Hong Kong, all other non-current assets were located in the PRC.

Included in revenue arising from EPC and consultancy and general construction segment were revenues of RMB222,863,000 (2024: RMB225,139,000) derived from the Group's first largest customer. For the year ended 31 December 2025, except for the revenue from the abovementioned first largest customer, no revenue from other customers (2024: no revenue from other customers) of the Group represented more than 10% of the Group's revenue.

Year ended 31 December 2025	EPC and consultancy and general construction <i>RMB'000</i>	Power generation <i>RMB'000</i>	Financing <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue				
Sales to external customers	382,969	982,064	14,953	1,379,986
Intersegment sales	712,301	–	857	713,158
Total segment revenue	1,095,270	982,064	15,810	2,093,144
<u>Reconciliation:</u>				
Elimination of intersegment sales				(713,158)
Revenue from external customers				1,379,986
Segment results/(loss)	(42,158)	475,750	3,103	436,695
<u>Reconciliation:</u>				
Interest income				3,021
Corporate and other unallocated expenses				(10,405)
Finance costs				(199,691)
Change in fair value of financial asset at fair value through profit or loss				1,573
Share of results of an associate				499
Profit before tax				231,692
Income tax expense				(53,748)
Profit for the year				177,944
Segment assets	1,470,489	8,873,252	294,791	10,638,532
<u>Reconciliation:</u>				
Corporate and other unallocated assets				120,315
Total assets				10,758,847
Segment liabilities	2,275,199	6,205,083	13,558	8,493,840
<u>Reconciliation:</u>				
Corporate and other unallocated liabilities				371,658
Total liabilities				8,865,498
Other segment information				
Expected credit losses/(reversal of impairment losses) on trade and bill receivables and contract assets	623	(1,394)	(10)	(781)
Depreciation of property, plant and equipment	799	361,722	214	362,735
Depreciation of right-of-use assets	2,874	24,868	1,345	29,087
Additions to property, plant and equipment	406	883,269	402	884,077
Additions to right-of-use assets	–	69,761	–	69,761

Year ended 31 December 2024	EPC and consultancy and general construction <i>RMB'000</i>	Power generation <i>RMB'000</i>	Financing <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue				
Sales to external customers	517,228	756,231	22,104	1,295,563
Intersegment sales	–	–	20,272	20,272
	<hr/>	<hr/>	<hr/>	<hr/>
Total segment revenue	517,228	756,231	42,376	1,315,835
<u>Reconciliation:</u>				
Elimination of intersegment sales				(20,272)
				<hr/>
Revenue from external customers				<u>1,295,563</u>
Segment results/(loss)	33,650	349,908	(2,933)	380,625
<u>Reconciliation:</u>				
Interest income				11,127
Corporate and other unallocated expenses				(14,181)
Finance costs				(215,523)
Change in fair value of financial asset at fair value through profit or loss				1,573
Share of results of an associate				437
				<hr/>
Profit before tax				164,058
Income tax expense				(44,157)
				<hr/>
Profit for the year				<u>119,901</u>
Segment assets	1,732,505	7,966,530	472,301	10,171,336
<u>Reconciliation:</u>				
Corporate and other unallocated assets				152,134
				<hr/>
Total assets				<u>10,323,470</u>
Segment liabilities	2,320,052	5,722,386	200,511	8,242,949
<u>Reconciliation:</u>				
Corporate and other unallocated liabilities				369,306
				<hr/>
Total liabilities				<u>8,612,255</u>
Other segment information				
Expected credit losses	2,240	687	1	2,928
Depreciation of property, plant and equipment	903	314,133	266	315,302
Depreciation of right-of-use assets	2,734	26,278	1,345	30,357
Additions to property, plant and equipment	595	1,247,267	78	1,247,940
Additions to right-of-use assets	5,568	67,848	–	73,416
	<hr/>	<hr/>	<hr/>	<hr/>

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers	1,365,033	1,273,459
<i>Revenue from other sources</i>		
Finance lease interest income	13,749	14,060
Loan interest income	626	5,815
Handling fee income	578	2,229
Subtotal	<u>14,953</u>	<u>22,104</u>
Total	<u>1,379,986</u>	<u>1,295,563</u>

Revenue from contracts with customers

(a) *Disaggregated revenue information*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue:		
<i>EPC and consultancy and general construction segment</i>		
Construction of photovoltaic power plants		
– Construction contract revenue	344,305	434,395
General construction		
– Construction contract revenue	34,856	80,082
Service income	3,808	2,751
<i>Power generation segment</i>		
Sale of electricity	<u>982,064</u>	<u>756,231</u>
	<u>1,365,033</u>	<u>1,273,459</u>
<i>Timing of revenue recognition</i>		
Over Time	<u>1,365,033</u>	<u>1,273,459</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Construction services	<u>14,757</u>	<u>46,307</u>

(b) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Construction services

The performance obligation is satisfied over time as the construction services are rendered. The payment term is generally 90 days to one year.

Management services

The performance obligation is satisfied over time as management services are rendered. The payment term is generally 90 days.

Sale of electricity

The performance obligation is satisfied when electricity is supplied to and consumed by the customers. The payment term is generally 90 days.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Amounts expected to be recognised as revenue:		
Within one year	98,252	163,221
After one year	141,471	141,417
	<hr/>	<hr/>
Total	239,723	304,638
	<hr/>	<hr/>

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to provision of EPC services and general construction services, of which the performance obligations are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other income		
Bank interest income	3,021	11,127
	<hr/>	<hr/>
Gains		
Foreign exchange differences, net	(4,555)	(1,953)
Gain on bargain purchase	1,267	–
Gain on derecognition of payables	7,645	–
Government grants and subsidy income	2,899	2,160
Others	1,523	2,188
	<hr/>	<hr/>
Total other income and gains	11,800	13,522
	<hr/>	<hr/>

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Cost of sales:			
Construction of photovoltaic power plants			
– Material and equipment		283,527	171,102
– Sub-contract costs for construction		45,920	173,377
– Sub-contract costs for design and consultancy services		1,704	961
General construction			
– Sub-contract costs for construction		31,149	73,895
Other costs*		497,554	410,648
Total cost of sales		859,854	829,983
Depreciation of property, plant and equipment		362,735	315,302
Depreciation of right-of-use assets		29,087	30,357
		391,822	345,659
Administrative expenses:			
Staff costs (including directors' and chief executive's remuneration):			
Wages, salaries and bonuses		47,081	50,526
Pension scheme contributions		16,205	12,680
Total staff costs		63,286	63,206
(Reversal of impairment)/impairment losses on trade and bills receivables and contract assets	<i>13, 14</i>	(781)	2,928
Auditor's remuneration		2,295	1,933
Bank charges		9,380	3,425
Legal and professional fee		6,117	8,063
Short-term lease expenses		1,191	1,413
Research and development expenses		368	743

* Other costs included staff costs, depreciation and maintenance costs for the power plants and costs under financing segment.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank and other borrowings	187,928	217,657
Interest on lease liabilities	<u>11,763</u>	<u>10,480</u>
Total finance costs	199,691	228,137
Less: Amount capitalised in cost of qualifying assets*	<u>–</u>	<u>(12,614)</u>
Total	<u>199,691</u>	<u>215,523</u>

* No borrowing costs have been capitalised during the year (the borrowing costs have been capitalised at a rate of 2.48% per annum during 2024).

7. INCOME TAX

The amount of income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current – Chinese mainland		
Charge for the year	52,433	44,101
Underprovision in prior years	<u>839</u>	<u>1,679</u>
Deferred tax	<u>476</u>	<u>(1,623)</u>
Income tax expense	<u>53,748</u>	<u>44,157</u>

No provision for Hong Kong profits has been made for both years as the Group did not generate any assessable profits arising in Hong Kong.

Under the Law of People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25% (2024: 25%), except for those subsidiaries described below.

A subsidiary operating in the PRC was accredited as "Advanced Technology Enterprise" by the Science and Technology Bureau of relevant provinces and other authorities for a term of three years, and was registered with the local tax authorities to be eligible to the reduced 15% enterprise income tax rate for the period 2020 to 2022. In 2023, the subsidiary renewed relevant certifications and continued to be eligible to the reduced 15% enterprise income tax rate for the period 2023 to 2025.

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rates for the jurisdictions in which the operations of the Group are substantially based to the tax expense at the effective tax rate is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before tax	<u>231,692</u>	<u>164,058</u>
Tax calculated at the statutory tax rates applicable to profits in the respective countries	59,919	43,719
Lower tax rates for specific provinces or enacted by local authority	(43,582)	(25,773)
Profits and losses attributable to an associate	(125)	(109)
Income not subject to tax	(1,328)	(725)
Expenses not deductible for tax	4,573	4,177
Tax losses not recognised	33,452	17,221
Adjustments in respect of current tax of previous periods	839	1,679
Effect of income tax at 10% on the gains of disposal of an associate in Chinese mainland	<u>–</u>	<u>3,968</u>
Tax charge at the Group's effective rate	<u>53,748</u>	<u>44,157</u>

8. DIVIDENDS

No dividend has been declared or proposed by the directors of the Company in respect of the year ended 31 December 2025 (2024: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,852,036,942 (2024: 1,852,036,942) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

The calculation of basic earnings per share is based on:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings for the purposes of basic and diluted earnings per share calculation	<u>188,308</u>	<u>114,136</u>

	Number of shares	
	2025	2024
Issued shares at 31 December 2024 and 31 December 2025	<u>1,852,036,942</u>	<u>1,852,036,942</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share calculation	<u>1,852,036,942</u>	<u>1,852,036,942</u>

10. FINANCE LEASE RECEIVABLES

	Minimum lease payments		Present value of minimum lease payments	
	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Finance lease receivables with terms:				
Within one year	39,268	39,654	25,680	24,283
In the second to fifth years, inclusive	<u>273,812</u>	<u>304,974</u>	<u>213,773</u>	<u>242,073</u>
	313,080	344,628	<u>239,453</u>	<u>266,356</u>
Less: Unearned finance income	<u>(73,627)</u>	<u>(78,272)</u>		
Total net finance lease receivables	<u>239,453</u>	<u>266,356</u>		
			2025	2024
			<i>RMB'000</i>	<i>RMB'000</i>
Analysed for reporting purpose as:				
Current assets			25,680	24,283
Non-current assets			<u>213,773</u>	<u>242,073</u>
			<u>239,453</u>	<u>266,356</u>

The Group provides financial leasing services on certain photovoltaic power plants in the PRC. These leases are classified as finance leases and secured by (i) the photovoltaic power plants; (ii) the paid up registered capital of the lessees; and (iii) the proceeds from sales of electricity to the lessees that have remaining lease terms ranging from one to ten years with interest rate ranging from 5.0% to 5.8% (2024: from 4.3% to 6.4%) per annum.

The Group's finance lease receivables are denominated in Renminbi (“RMB”). The interest rates are adjusted and reset based on changes in the prevailing benchmark lending interest rates promulgated by the People's Bank of China (“PBOC”).

There was no recent history of default and past due amounts for finance lease receivables. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

11. LOAN RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loan receivables with terms:		
Within one year	3,898	3,621
In the second to fifth years, inclusive	<u>3,653</u>	<u>6,937</u>
Total loan receivables	7,551	10,558
Less: Portion classified under current assets	<u>(3,898)</u>	<u>(3,621)</u>
Non-current assets	<u>3,653</u>	<u>6,937</u>

Loan receivables as at 31 December 2025 represented loans to third parties, bearing fixed interest at 7% (2024: 7%) per annum and repayable in one to two years (2024: one to three years).

There was no recent history of default and past due amounts for loan receivables. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Prepayments	389,179	507,857
Deposits	8,617	39,919
Other receivables	<u>436,737</u>	<u>371,383</u>
Total	<u>834,533</u>	<u>919,159</u>
Analysed for reporting purpose as:		
Current assets	774,801	805,220
Non-current assets (prepayment for acquisition of property, plant and equipment)	<u>59,732</u>	<u>113,939</u>
	<u>834,533</u>	<u>919,159</u>

As at 31 December 2025, included in prepayments was the amount of RMB329,447,000 (2024: RMB393,918,000) of prepayments for cost of materials or sub-contract costs for construction.

As at 31 December 2025, included in other receivables were (i) VAT recoverable of RMB414,131,000 (2024: RMB352,527,000); and (ii) remaining balances related to the reserves for construction works.

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

13. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	1,232,301	1,443,093
Bills receivable	162,717	25,622
Impairment	<u>(31,914)</u>	<u>(33,011)</u>
Net carrying amount	<u>1,363,104</u>	<u>1,435,704</u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months, extending up to one year for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and before net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
0 to 90 days	390,710	273,385
91 to 180 days	548,950	257,669
181 to 365 days	68,141	157,363
Over 365 days	<u>387,217</u>	<u>780,298</u>
Total	<u>1,395,018</u>	<u>1,468,715</u>

Bills receivable are received from the customers under EPC and consultancy and general construction segment and are due within six months from date of billing.

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	2025	2024
	RMB'000	RMB'000
At beginning of year	33,011	29,996
(Reversal of impairment losses)/impairment losses	(1,097)	3,015
	<hr/>	<hr/>
At end of year	31,914	33,011
	<hr/>	<hr/>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns by customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables using a provision matrix:

As at 31 December 2025

	Internal credit rating level	ECL rate	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
2025					
Trade and bills receivables					
EPC and consultancy and general construction segment					
Local government related entities					
Current or not yet past due	Low risk	0.11%	13,257	(14)	13,243
0 to 90 days	Low risk	0.26%	279,281	(739)	278,542
91 to 180 days	Low risk	0.26%	27,600	(73)	27,527
181 to 365 days	Low risk	0.45%	130,605	(588)	130,017
Over 365 days	Low risk	0.66%	120,525	(799)	119,726
			<hr/>	<hr/>	<hr/>
			571,268	(2,213)	569,055
			<hr/>	<hr/>	<hr/>
Normal customers					
Current or not yet past due	Low risk	0.56%	–	–	–
0 to 90 days	Low risk	2.09%	–	–	–
91 to 180 days	Low risk	2.09%	–	–	–
181 to 365 days	Doubtful	5.81%	14,726	(855)	13,871
Over 365 days	Doubtful, loss	42.84%	63,003	(26,992)	36,011
			<hr/>	<hr/>	<hr/>
			77,729	(27,847)	49,882
			<hr/>	<hr/>	<hr/>

2025	Internal credit rating level	ECL rate	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
Power generation segment					
Local state grid companies					
Current or not yet past due	Low risk	0.11%	353,581	(381)	353,200
0 to 90 days	Low risk	0.26%	267,462	(707)	266,755
91 to 180 days	Low risk	0.26%	40,433	(107)	40,326
181 to 365 days	Low risk	0.46%	6,144	(28)	6,116
Over 365 days	Low risk	0.86%	52,214	(449)	51,765
			<u>719,834</u>	<u>(1,672)</u>	<u>718,162</u>
Normal customers					
Current or not yet past due	Low risk	0.56%	23,872	(134)	23,738
0 to 90 days	Low risk	2.08%	2,207	(46)	2,161
91 to 180 days	Low risk	1.85%	108	(2)	106
			<u>26,187</u>	<u>(182)</u>	<u>26,005</u>
Financing segment					
General customers					
Current or not yet past due	Low risk	0.56%	–	–	–
Group Total					
Current or not yet past due			390,710	(529)	390,181
0 to 90 days			548,950	(1,492)	547,458
91 to 180 days			68,141	(182)	67,959
181 to 365 days			151,475	(1,471)	150,004
Over 365 days			235,742	(28,240)	207,502
Total			<u>1,395,018</u>	<u>(31,914)</u>	<u>1,363,104</u>

As at 31 December 2024

2024	Internal credit rating level	ECL rate	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
Trade and bills receivables					
EPC and consultancy and general construction segment					
Local government related entities					
Current or not yet past due	Low risk	0.11%	80,013	(86)	79,927
0 to 90 days	Low risk	0.26%	195,770	(518)	195,252
91 to 180 days	Low risk	0.26%	65,799	(174)	65,625
181 to 365 days	Low risk	0.45%	221,749	(999)	220,750
Over 365 days	Low risk	0.74%	45,508	(337)	45,171
			<u>608,839</u>	<u>(2,114)</u>	<u>606,725</u>
Normal customers					
Current or not yet past due	Low risk	0.56%	27,906	(157)	27,749
0 to 90 days	Low risk	2.08%	1,200	(25)	1,175
91 to 180 days	Low risk	2.14%	700	(15)	685
181 to 365 days	Doubtful	5.81%	58,419	(3,393)	55,026
Over 365 days	Doubtful, loss	76.38%	31,489	(24,051)	7,438
			<u>119,714</u>	<u>(27,641)</u>	<u>92,073</u>
Power generation segment					
Local state grid companies					
Current or not yet past due	Low risk	0.11%	155,847	(168)	155,679
0 to 90 days	Low risk	0.26%	59,087	(156)	58,931
91 to 180 days	Low risk	0.26%	90,856	(240)	90,616
181 to 365 days	Low risk	0.45%	194,300	(875)	193,425
Over 365 days	Low risk	0.76%	228,833	(1,729)	227,104
			<u>728,923</u>	<u>(3,168)</u>	<u>725,755</u>
Normal customers					
Current or not yet past due	Low risk	0.56%	7,858	(44)	7,814
0 to 90 days	Low risk	2.11%	1,612	(34)	1,578
91 to 180 days	Low risk	0.00%	8	–	8
			<u>9,478</u>	<u>(78)</u>	<u>9,400</u>
Financing segment					
General customers					
Current or not yet past due	Low risk	0.57%	1,761	(10)	1,751
Group total					
Current or not yet past due			273,385	(465)	272,920
0 to 90 days			257,669	(733)	256,936
91 to 180 days			157,363	(429)	156,934
181 to 365 days			474,468	(5,267)	469,201
Over 365 days			305,830	(26,117)	279,713
Total			<u>1,468,715</u>	<u>(33,011)</u>	<u>1,435,704</u>

14. CONTRACT ASSETS

	31 December 2025 RMB'000	31 December 2024 RMB'000
Contract assets arising from:		
Provision of EPC services and general construction contract works	<u>200,654</u>	<u>218,786</u>
Impairment	<u>(645)</u>	<u>(329)</u>
Net carrying amount	<u>200,009</u>	<u>218,457</u>

The Group's contracts with customers for the provision of EPC services and general construction services include payment schedules which require stage payments over the construction period once milestones are reached. These payment schedules prevent the build-up of significant contract assets. The decrease in contract assets in 2025 was the result of the decrease in the provision of construction services at the end of the year.

During the year ended 31 December 2025, RMB316,000 was recognised as an allowance for expected credit losses on contract assets (2024: RMB87,000 was recognised as a reversal of expected credit losses on contract assets). The Group's trading terms and credit policy with customers are disclosed in note 13 to the financial statements.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	<u>200,009</u>	<u>218,457</u>

The movements in the loss allowance for impairment of contract assets are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	329	416
Impairment losses	<u>316</u>	<u>(87)</u>
At end of year	<u>645</u>	<u>329</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade and bills receivables as the contract assets and the trade and bills receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade and bills receivables for groupings of various customer segments with similar loss patterns by customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	2025	2024
Expected credit loss rate	0.32%	0.15%
Gross carrying amount (<i>RMB'000</i>)	200,654	218,786
Expected credit losses (<i>RMB'000</i>)	645	329

Gross carrying amounts of contract assets of RMB94,531,000 and RMB106,123,000 (2024: RMB20,542,000 and RMB198,244,000) were related to general customers and local government related entities respectively in relation to general construction services.

15. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	158,696	241,555
91 to 180 days	66,327	106,489
181 to 365 days	114,208	138,688
Over 365 days	428,756	404,469
	<hr/>	<hr/>
Total	767,987	891,201
	<hr/>	<hr/>

The trade and bills payables are non-interest bearing.

16. CONTRACT LIABILITIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contract liabilities arising from:		
Provision of EPC services and general construction services	<u>173,642</u>	<u>183,918</u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Balance as at 1 January	183,918	213,355
Decrease in contract liabilities as a result of recognition of revenue during the year	(14,757)	(46,307)
Increase in contract liabilities as a result of billing in advance of provision of EPC services and general construction services	<u>4,481</u>	<u>16,870</u>
Total	<u>173,642</u>	<u>183,918</u>

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

Typical payment terms which impact on the amount of contract liabilities are the receipts in advance for the provision of EPC services and general construction services.

17. OTHER PAYABLES AND ACCRUALS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other payables	56,255	106,815
Accruals	<u>51,380</u>	<u>37,669</u>
Total	<u>107,635</u>	<u>144,484</u>

BUSINESS REVIEW AND PROSPECTS

Review of Industry Development Status

In 2025, the new energy sector achieved major breakthroughs in three areas: scale expansion, structural optimization, and system improvement, marking historic progress in the green and low-carbon energy transition. Nationwide, renewable energy accounted for over 60% of installed capacity, with wind and photovoltaic power installations surpassing thermal power for the first time to become the largest power source. New wind and photovoltaic installations exceeded 430 million kW for the year, with the additional power generation nearly covering the entire society's new electricity demand; the share of non-fossil energy consumption exceeded the annual target, new energy storage installations grew rapidly, and the policy framework for green electricity, green certificates, and consumption guarantees accelerated its establishment and refinement. The industry's development formally transitioned from its earlier phase of rapid expansion into a new era of high-quality development and integrated coordination among generation, grid, load, and storage.

Review of Major Policies in Relation to China's Energy Industry

In 2025, China intensively introduced multiple policies related to the energy industry. Focusing on core directions such as high-quality development of new energy, power market reform, carbon peak and carbon neutrality goals, and the development of energy storage and green electricity, these policies further refined the policy framework, clarified development pathways, and optimized management mechanisms. This provided robust policy support for building a new energy system and propelled the energy industry toward steady progress in cleanliness, marketization, and integration. Among these:

In January, the National Energy Administration issued the "Management Measures for the Development and Construction of Distributed Photovoltaic Power Generation", categorizing and regulating residential and commercial and industrial distributed photovoltaic systems. The measures streamline filing procedures, encourage diversified investment, and ensure fair grid connection. Taking 1 May as the cutoff date, policy differences between new and existing projects were clarified. After 1 May, no new full-feed-in projects would be approved, and projects failing to meet self-consumption quotas must participate in market-based transactions for surplus electricity.

In February, the National Development and Reform Commission and the National Energy Administration jointly released the “Notice on Deepening the Market-based Reform of New Energy Feed-in Tariffs to Promote High-Quality Development of New Energy” (NDRC Price [2025] No. 136, referred to as “**Document No.136**”). This document deepens market-based reforms for new energy feed-in tariffs, clarifying rules such as “full market entry” and differential settlement. Designating 1 June as the cutoff date for distinguishing between old and new policies, settlement methods for existing and new projects would be differentiated to lay the groundwork for energy storage and power market development. Concurrently, the National Energy Administration released the “Notice on the 2025 Energy Work Guidance”, setting annual targets for installed power generation capacity and new energy installations, advancing projects like “desert, Gobi and wilderness” and offshore wind farms, and refining power market mechanisms.

In March, the “Government Work Report” proposed launching carbon peak pilot programs, establishing a dual-control system for carbon emissions, and accelerating construction of “desert, Gobi and wilderness” bases and offshore wind farms. Five departments jointly issued the “Opinions on Promoting the High Quality Development of the Renewable Energy Green Electricity Certificate Market”, clarifying plans to refine the green certificate trading system by 2027, improve green electricity consumption mechanisms, and advance international application of green certificates.

In April, the National Development and Reform Commission and the National Energy Administration issued the “Notice on Comprehensively Accelerating the Construction of Electricity Spot Markets” (F.G. Reform Office T.G. [2025] No. 394, referred to as “**Document No. 394**”), requiring basic coverage of electricity spot markets nationwide by the end of 2025 and setting operational timelines for 20 provinces.

In May, the National Development and Reform Commission and the National Energy Administration issued the “Notice on Orderly Promotion of Green Electricity Direct Connection Development”, defining two models for “green electricity direct connection”. It requires a self-generation and self-consumption ratio $\geq 60\%$ and, for the first time, permits “behind-the-meter electricity sales” for new energy sources, aligning with the EU’s CBAM green electricity traceability requirements.

In June, the National Energy Administration Comprehensive Department released the “Notice on Organizing and Carrying out Hydrogen Energy Pilot Projects in the Energy Sector”, exploring off-grid hydrogen production in areas with weak power grids. This initiative aims to build an integrated wind-photovoltaic-hydrogen-storage framework, with supporting electrolyzer capacity not less than 10MW.

In July, the National Development and Reform Commission issued the “Notice on Launching the Development of Zero-Carbon Industrial Parks”, advancing zero-carbon industrial park construction, optimizing energy consumption structures within parks, supporting green electricity direct connection and local new energy integration, and encouraging green certificate trading and hydrogen-electricity coupling development.

In August, seven departments including the People’s Bank of China and the National Development and Reform Commission jointly issued the “Guiding Opinions on Financial Support for New Industrialization”, supporting emerging industries such as new energy in financing through multi-tiered capital markets and strengthening financial backing for new industrialization.

In September, the National Development and Reform Commission and the National Energy Administration issued the “Guidelines for the Market Construction in Regions with Continuous Operation of Electricity Spot Markets”, encouraging virtual power plants and new energy storage to participate in electricity spot markets and supporting joint bidding for “power generation + energy storage.” Concurrently, they released the “Notice on Improving the Pricing Mechanism to Promote Local Consumption of New Energy Power Generation”, clarifying fee details for local consumption of new energy and guiding the development of generation-grid-load-storage and green electricity direct connection projects.

In October, the “Recommendations of the Central Committee of the Communist Party of China for Formulating the 15th Five-Year Plan for National Economic and Social Development” were released, proposing to optimize key energy corridors, accelerate the construction of a new energy system and power system, increase the proportion of new energy supply, and build China into an energy powerhouse.

In November, the National Energy Administration issued the “Guiding Opinions on Promoting the Integrated Development of New Energy”, aiming to enhance the accuracy of new energy power forecasting, advance grid-forming technology applications, support the creation of 100% new energy bases, and leverage the regulatory roles of solar thermal and energy storage.

In December, the National Development and Reform Commission and the National Energy Administration jointly issued two notices: first, the “Notice on Doing a Good Job in the Signing and Performance of Medium-and Long-Term Power Contracts for 2026”, clarifying requirements for signing medium- and long-term power contracts in 2026. Direct market access users would generally not be subject to time-of-use pricing, driving the transformation of energy storage revenue models; second, the “Several Opinions on Promoting the Scaled-up Development of Solar Thermal Power Generation”, which aims to promote the scaled-up development of solar thermal power generation and achieve a total installed capacity of approximately 15 million kW by 2030, with levelized cost of electricity comparable to coal-fired power generation, and the realization of independent and controllable technology.

Review of Development Status of the Photovoltaic Power Generation Industry

According to statistics from the National Energy Administration, China’s photovoltaic power generation industry maintained steady growth in 2025. Installed capacity continued to expand, structural optimization progressed, and utilization levels remained generally stable, providing robust support for the green and low-carbon energy transition.

In 2025, China’s new photovoltaic installations reached 317 million kW, marking a 14% year-on-year increase. This included 164 million kW of new centralized photovoltaic capacity and 153 million kW of new distributed photovoltaic capacity, further consolidating the coordinated development pattern of centralized and distributed photovoltaic. By December 2025, China’s photovoltaic installed capacity surpassed 1.2 billion kW, marking a 35% year-on-year increase. This comprised 670 million kW of centralized photovoltaic and 530 million kW of distributed photovoltaic.

National photovoltaic power generation reached 1.17 trillion kWh, a 40% year-on-year increase, significantly enhancing electricity supply capacity. The national photovoltaic utilization rate stood at 95%, with the industry's overall operational quality and efficiency steadily improving.

New high-efficiency battery technologies such as TOPCon and HJT accelerated their industrialization, significantly speeding up the pace of technological iteration and efficiency improvements in the industry. The conversion efficiencies of TOPCon, HIBC, and perovskite tandem modules reached 25.58%, 27.81%, and 30.60%, respectively. Perovskite tandem technology demonstrated rapid efficiency breakthroughs, with laboratory small-size tandem cells exceeding 34% efficiency, positioning it as the core technological direction for surpassing the theoretical efficiency limits of monocrystalline silicon cells.

Regarding supply chain pricing, TOPCon module prices dropped from RMB0.7/W at the beginning of the year to the RMB0.66–0.69/W range. Recently, influenced by factors such as industry-wide standardized competition and efforts to curb disorderly internal competition, prices have shown signs of stabilization and recovery. However, constrained by relatively weak terminal demand, the upward potential for prices remains limited.

Review of Development Status of the Wind Power Generation Industry

According to data from the National Energy Administration, China's wind power sector achieved rapid growth in 2025, with significantly increased new installed capacity and distinct regional distribution patterns. Cumulative installed capacity and electricity generation grew steadily, maintaining sound overall operational quality and efficiency, thereby providing robust support for the green transformation of the energy structure.

In 2025, China's wind power new installed capacity reached 120 million kW, marking a substantial 51% year-on-year increase and demonstrating robust growth momentum. Onshore wind power accounted for 110 million kW of the new installed capacity, maintaining its dominant position. Offshore wind power progressed steadily with 6.59 million kW of new installed capacity, continuously accelerating the industrialization process of the offshore wind power sector. From a regional perspective, the three northern regions leveraged their resource endowment advantages to become the core areas for new wind power installations, accounting for 79% of the national total, with a high degree of regional concentration.

By the end of December 2025, China's cumulative grid-connected wind power capacity reached 640 million kW, marking a 23% year-on-year increase and continuing its expansion. Onshore wind power accounted for 590 million kW of cumulative grid-connected capacity, while offshore wind power reached 47 million kW of cumulative grid-connected capacity, further refining the coordinated development pattern between onshore and offshore sectors.

In terms of electricity generation, China's wind power output reached 1.13 trillion kWh in 2025, marking a 13% year-on-year increase. Wind power's contribution to China's total electricity supply continued to rise. The average utilization rate of wind power nationwide remained at a high level of 94%, indicating stable industry operational efficiency and full resource utilization.

In 2025, China's wind turbine technology underwent continuous iteration and upgrades, with significant improvements in single-unit performance and operational efficiency. Cost control yielded notable results, and the industry's technological competitiveness steadily strengthened. Wind turbine equipment showed a trend toward larger-scale development, with continuous increases in impeller diameter and tower height, and steady growth in single-unit capacity. Offshore wind turbines reached a maximum single-unit capacity of 26MW. The widespread application of core technologies such as permanent magnet synchronous generators further improved turbine operational efficiency and reliability. In terms of technological breakthroughs, significant progress has been made in key technologies like floating foundations, successfully overcoming water depth limitations to over 200 meters, laying a solid foundation for deep-sea wind power development. Intelligent operation and maintenance (O&M) technologies are being rapidly deployed. By integrating AI-based wind forecasting with smart yaw and pitch control, turbine availability has reached 98.5%. The implementation of digital twin and edge computing technologies enables predictive fault detection, effectively reducing O&M costs. Regarding costs, the onshore turbine cost including tower has decreased from RMB4.8/W in early 2020 to approximately RMB2/W, while the average winning bid price for offshore turbines including tower has dropped to around RMB3/W, demonstrating significant industry cost control achievements. Starting from 2025, turbine prices were expected to gradually stabilize and rebound, improving the industry's profitability outlook.

Review of the Energy Storage Industry Status

Meanwhile, the new energy storage industry has achieved leapfrog development, providing robust support for the consumption and stable operation of wind and photovoltaic power. By the end of 2025, China's installed capacity of commissioned new energy storage systems reached 136 million kW/351 million kWh, marking an 84% increase from the end of 2024 and a more than 40-fold rise compared to the end of the 13th Five-Year Plan period, demonstrating remarkable development achievements. Energy storage performance continued to improve, with the average storage duration reaching 2.58 hours, an increase of 0.30 hours compared to the end of 2024. In application scenarios, the proportion of standalone energy storage steadily increased. New standalone energy storage installations in 2025 reached 35.43 million kW, accounting for 51.2% of the cumulative installed capacity, representing an increase of approximately 5 percentage points compared to the end of 2024, reflecting a continuously optimized application structure. Regarding technology routes, lithium-ion battery storage remained dominant, accounting for 96.1% of installed capacity, while diversified technologies such as compressed air energy storage, flow battery storage, and flywheel battery storage developed synergistically, collectively accounting for 3.9% of installed capacity, resulting in a more rational technological portfolio. Regarding utilization levels, the utilization efficiency of new energy storage technologies continued to improve. Preliminary statistics indicated that the equivalent utilization hours for new energy storage nationwide reached 1,195 hours in 2025, an increase of nearly 300 hours compared to 2024, further enhancing resource utilization efficiency.

Significant progress has been made in optimizing energy storage technology and costs. Lithium-ion battery storage technology has achieved mature application, while new energy storage technologies like sodium-ion batteries and flow batteries are advancing toward commercial deployment. Technological innovation has seen the adoption of string-based architectures replacing traditional centralized designs, enhancing system safety levels. Operational efficiency has been boosted and cell degradation reduced through measures like increasing cell specifications (from 280Ah and 314Ah to 587Ah), expanding system capacity, and applying liquid cooling technology, thereby driving down the full lifecycle cost of energy storage. Regarding costs, the price of 2h energy storage systems has decreased from RMB0.85/Wh at the beginning of 2024 to around RMB0.55/Wh, while energy storage cell prices have dropped from RMB0.45/Wh at the beginning of 2024 to around RMB0.3/Wh, which cost control has yielded outstanding results.

BUSINESS REVIEW

In 2025, the macroeconomy maintained steady growth, withstanding pressures from complex external conditions and trade frictions. Annual GDP exceeded RMB140 trillion, representing a 5.0% year-on-year increase. Employment and livelihood safeguards remained robust, household incomes grew steadily, new productive forces accelerated development, and high-quality growth took firm strides—laying a solid macroeconomic foundation for the new energy industry development.

At the industrial level, China's new energy sector maintained rapid development momentum. Installed capacity expanded steadily, with total wind and photovoltaic power installed capacity surpassing thermal power generation. The share of non-fossil energy in installed capacity continued to rise steadily, demonstrating significant progress in the green transformation of the energy structure. At the same time, the industry development faces phased challenges. Structural imbalances in power supply and demand persist in some regions, increasing pressure on new energy consumption. Power curtailment issues remain prominent, constraining the industry's high-quality development.

At the policy level, industry regulatory frameworks and supportive measures continued to evolve. New regulations for distributed power stations and the market-based electricity pricing reforms outlined in Document No.136 have been fully implemented. Local governments were actively optimizing peak-valley electricity pricing mechanisms, extending off-peak periods, and increasing self-consumption quotas for self-generated power. These efforts have driven the new energy industry's transition from scale expansion to high-quality development, presenting both new opportunities and heightened challenges for new energy project investment and development.

Against this backdrop, the Group proactively aligned with industry trends by refining its business development direction, designating energy storage business as a key development area for the year. Concurrently, it actively pursued distributed photovoltaic projects with high self-consumption ratios and distributed wind power projects enabling local priority consumption, thereby enhancing project revenue stability. Furthermore, the Group continued to deepen reforms in its power plant operation and maintenance system, optimize unit power generation strategies and market-based trading approaches, actively participate in green electricity and green certificate transactions, and implement multiple measures to reduce costs and enhance efficiency, thereby strengthening its core competitiveness.

In 2025, leveraging opportunities in the new energy industry, the Group steadily advanced high-quality development of its new energy business through diversified initiatives such as resource sharing and business synergy. This approach enabled coordinated efforts across internal and external operations, achieving breakthroughs in multiple areas and yielding significant results across all business segments. Externally, the Group continuously refined its market deployment and intensified development of high-quality new energy projects, achieving remarkable project implementation and multi-point success. In the energy storage sector, energy storage projects including the Linxiang Phase II 100MW/200MWh, Jiyuan Iron and Steel 80MW/240MWh, Hebei Linyang 100MW/400MWh projects have successively commenced operations. Concurrently, we completed the filing for 10 energy storage projects across nine provinces, including Guangxi Qintang 400MWh, Jilin Qian'an 400MWh, and Shanxi Shanyin 800MWh projects, with a cumulative filed capacity reaching 2.4GW/4.84GWh. In the wind and photovoltaic sector, the Company successfully secured construction indicators for the 160MW photovoltaic project in Yunnan Boshang Phase II and the 50MW wind power project in Guangxi Binyang. It completed the filing for the photovoltaic project at ZTE Nanjing campus and won the bid for the 25.2MW project in Huarun Liuxin Town. Throughout the year, the Company tracked and reserved new energy projects exceeding 8GW in scale, with the capacity of key development projects reaching 5.6GW, laying a solid foundation for future business growth. Internally, the Group deepened industrial synergy by leveraging shareholder resources to expand diversified business scenarios. In distributed photovoltaic sector, it actively developed rooftop distributed photovoltaic power stations at Blogis Holding Co., Ltd. (“**Blogis Holding**”) and China Merchants Shekou Industrial Zone Holdings Company Limited, with 39 projects completed and grid-connected, 3 projects under construction, and 6 projects undergoing preliminary compliance procedures. In emerging business areas, leveraging shareholders' extensive application scenarios, the Group is actively advancing energy-saving retrofit projects for commercial complexes such as Maqun Garden City and Kunshan Garden City, steadily positioning ourselves in the emerging field of building energy-saving retrofits. Concurrently, it is proactively exploring overseas markets, actively promoting the Sri Lanka Hambantota Port photovoltaic-storage hybrid project, to facilitate the international expansion of the Group's business.

For the year ended 31 December 2025, revenue increased by approximately 6.5% year-on-year to RMB1,379,986,000 (2024: RMB1,295,563,000); earnings attributable to equity owners of the Group amounted to RMB188,308,000 (2024: RMB114,136,000), representing an increase of approximately 65.0% over the same period of last year. The basic earnings per share was RMB10.17, indicating an increase of RMB4.01 or approximately 65.1% from RMB6.16 in the same period of last year.

EPC and Consultancy and General Construction Business

Revenue from the EPC and consultancy and general construction segment was recognised based on the completion progress of the projects. Segment sales to external customers decreased by approximately 26.0% as compared to the same period of last year to RMB382,969,000 (2024: RMB517,228,000). The decrease in segment revenue was mainly due to the change in the Group's business strategic direction. Firstly, the new energy EPC business mainly focused on self-invested and self-built projects, and most of the revenue recognised was offset at the company consolidation level; secondly, for the municipal EPC business, due to the downward trend of the property industry as a whole and the Company's plan to withdraw from this business, in order to reduce capital occupation, the Group has not undertaken any municipal EPC new projects in 2025.

In 2025, the Group actively expanded its new energy EPC business, securing 39 new energy EPC projects with a total contract value of approximately RMB900 million. These projects comprehensively covered core areas including centralized photovoltaic, distributed photovoltaic, and energy storage, achieving synergistic development across multiple domains. Significant achievements were made in implementing key projects, with all major initiatives progressing as planned and successfully delivered: 37 rooftop distributed photovoltaic projects, including Blogis, were completed and connected to the grid on schedule, ensuring early operational benefits; the Linxiang Phase II 100MW/200MWh energy storage project successfully connected to the grid in May, while the Jiyuan Iron and Steel 80MW/240MWh energy storage project connected to the grid in October and the Hebei Linyang 100MW/400MWh energy storage project completed grid connection in December. The smooth commissioning of these energy storage projects further enhanced the Group's layout in the energy storage sector; The Huarun Liuxin Town project demonstrated rigorous quality control and efficient progress during construction, earning high praise from the owners and showcasing the Group's robust project execution and management capabilities.

The Group consistently adheres to the safety production principle of “safety first, prevention as the priority and comprehensive management”. Safety production is integrated throughout all business processes, with rigorous emphasis on refining systems and implementing responsibilities. Continuous investment in safety production is maintained, alongside routine safety hazard identification and remediation efforts. This approach strengthens the safety production defense line, effectively preventing and curbing various safety incidents. Throughout 2025, no general or higher-level safety production accidents occurred, ensuring the stable and orderly advancement of business operations. In engineering management, the Group deepened standardized quality management practices, strictly implemented the first-piece sample system, and enhanced quality control throughout construction by increasing inspection and sampling frequencies. Rigorous oversight of intermediate project handover quality ensured a 100% first-time acceptance rate for all projects. No quality incidents occurred throughout the year, and no customer complaints were received, effectively safeguarding engineering quality and service standards.

In 2025, the Group continued to strengthen its core competitiveness, achieving significant results in qualification upgrades, system development, and technological research and development. Regarding qualification enhancement, the Group’s wholly-owned subsidiary successfully upgraded its Power Installation, Maintenance, and Testing Qualification from Grade 4 to Grade 3. This upgrade broadened the Company’s business scope and enhanced its market competitiveness. Simultaneously, the Group successfully passed the recertification audit for its Integrated Quality, Environmental, and Occupational Health and Safety Management System, further validating the standardization and effectiveness of its operational systems and providing a solid foundation for high-quality business development. In technological research and development, the Group closely aligned with the development needs of its core business, focusing on breakthroughs in key technologies. It successfully secured project approval for three research projects, including “Research and Application of Key Control Technologies for Large-Scale Electrochemical Energy Storage Systems”, continuously advancing technological innovation and the transformation of research outcomes. Throughout the year, the Group obtained 9 utility model patents and 4 invention patents, continuously enriching its intellectual property portfolio and steadily enhancing its technological innovation capabilities. Furthermore, the Group maintained its qualification as a high-tech enterprise in Jiangsu Province, enabling it to continue benefiting from corporate income tax reduction policies. This effectively reduced operating costs and provided strong support for technological research and development investments.

Power Generation Business

As of 31 December 2025, the Group had a total of 145 power plants in operation and maintenance, including 130 wind and photovoltaic power plants with a total operating capacity of 2,083MW (in terms of actual installed generating capacity) and 15 energy storage power plants with an operating capacity of 1,192MWh. The wind and photovoltaic power generation was 2.16 billion kWh. Among them, the cumulative power generation of photovoltaic power stations was 1.58 billion kWh and the cumulative power generation of wind power stations was 580 million kWh, demonstrating a steady increase in power supply capacity. Concurrently, the Group actively participated in green electricity and green certificate trading, completing cumulative green electricity transactions of 114 million kWh, generating additional revenue of approximately RMB1.68 million. Approximately 1.01 million green certificates were traded, generating revenue of about RMB5.15 million, further optimizing the revenue structure through market-based transactions.

In the first half of 2025, affected by the “National Energy Administration Order No. 7 (2025)”, to ensure distributed photovoltaic projects could continue under existing policies and mitigate the impact of new regulations on electricity revenue stability, the Group proactively advanced project construction through multiple measures. These included optimizing power station designs, implementing cross-construction models, and rationally scheduling accelerated work plans. This ensured the successful grid connection of 14 distributed rooftop photovoltaic projects at Blogis Holding by 30 April, effectively safeguarding stable project revenues.

In response to industry policy changes and development trends, the Group has promptly adjusted its investment strategy, prioritizing energy storage as a key growth area and vigorously expanding its energy storage project portfolio. As of 31 December 2025, the Group added 885MWh of grid-connected installed capacity for its energy storage power stations, including the Linxiang Phase II 100MW/200MWh energy storage project, the Jiyuan Iron and Steel 80MW/240MWh energy storage project, and the Hebei Linyang 100MW/400MWh energy storage project, all of which have been completed and put into operation, demonstrating significant implementation results. Concurrently, the Group secured project filings for 10 energy storage projects spanning 9 provinces, including Guangxi Qintang 400MWh, Jilin Qian’an 400MWh, and Shanxi Shanyin 800MWh projects, with a cumulative filing capacity reaching 2.4GW/4.84GWh. Among these, the Ulanqab 100MW/400MWh energy storage project was successfully selected as a preferred independent energy storage project in Ulanqab, demonstrating the Group’s project development and operational capabilities in the energy storage sector.

The Group continues to advance the standardization of power plant operations, implementing multiple measures to enhance intelligent operation and maintenance (O&M) capabilities. This includes continuously optimizing O&M quality and efficiency while strengthening equipment control and management. Through comprehensive reorganization and improvement of O&M workflows, systematic identification and elimination of potential accident hazards, the Group has effectively elevated power plant O&M efficiency and standardization levels. Simultaneously, the Group actively employs modern intelligent technologies such as video surveillance, infrared alarms, and drone inspections to intensify power plant inspection efforts, ensuring stable operation of power generation equipment. The annual availability rate of power generation equipment in power plants reached 99.7%, exceeding industry standards by 0.7 percentage points. Furthermore, the Group's self-developed intelligent O&M system was successfully deployed. This system comprehensively addresses operational management needs across multiple scenarios including photovoltaic, wind power, energy storage, and carbon management. It significantly reduces investment cost on data collection equipment while further enhancing the intelligence and intensification of O&M operations, providing robust support for efficient and stable power plant operations.

For the year ended 31 December 2025, this segment recorded a revenue growth of approximately 29.9% as compared to the same period of last year, contributing RMB982,064,000 (2024: RMB756,231,000) to the revenue of the Group, and an increase in segment profit (before deducting tax and finance cost) of approximately 36.0% to RMB475,750,000 (2024: RMB349,908,000). The increase in segment revenue was attributable to higher power generation business income in 2025 compared to the same period last year, primarily due to a significant increase in power generation resulting from the addition of 164MW of grid-connected wind and photovoltaic installed capacity and 885MWh of energy storage installed capacity.

Financing Business

For the year ended 31 December 2025, the Group's finance business recorded revenue of RMB14,953,000 (2024: RMB22,104,000), representing a year-on-year decrease of 32.4%. The decrease in revenue was mainly due to a decrease in loan interest income and handling fee income compared to last year.

(a) Finance Lease Receivables

In 2025, the Group has 22 (2024: 25) finance lease contracts with 22 (2024: 24) lessees who engaged in new energy sector.

(b) *Loan Receivables*

In 2025, the Group has 1 (2024: 1) loan contract with 1 (2024: 1) customer.

(i) *Industry Profile of Loan Receivables*

The following table sets out the breakdown of the Group's loan receivables by industries:

	As of		As of		Changes RMB'000
	31 December 2025		31 December 2024		
	RMB'000	%	RMB'000	%	
Construction Sector	-	-%	-	-%	-
New energy Sector	-	-%	-	-%	-
Property Management Sector	<u>7,551</u>	<u>100%</u>	<u>10,558</u>	<u>100%</u>	<u>(3,007)</u>
Total Loan Receivables	<u>7,551</u>	<u>100%</u>	<u>10,558</u>	<u>100%</u>	<u>(3,007)</u>

(ii) *Geographical Region Profile of Loan Receivables*

All of the loan receivables are due from the customers located in the People's Republic of China (the "PRC"). The following table sets out the breakdown of the Group's loan receivables by customer's geographical region in the PRC:

	As of		As of		Changes RMB'000
	31 December 2025		31 December 2024		
	RMB'000	%	RMB'000	%	
Eastern	-	-%	-	-%	-
Southern	<u>7,551</u>	<u>100%</u>	<u>10,558</u>	<u>100%</u>	<u>(3,007)</u>
Central	-	-%	-	-%	-
Southwestern	<u>-</u>	<u>-%</u>	<u>-</u>	<u>-%</u>	<u>-</u>
Total Loan Receivables	<u>7,551</u>	<u>100%</u>	<u>10,558</u>	<u>100%</u>	<u>(3,007)</u>

(iii) Maturity Profile of Loan Receivables

The following table sets out the maturity analysis of the Group's loan receivables:

	As of		As of		Changes RMB'000
	31 December 2025		31 December 2024		
	RMB'000	%	RMB'000	%	
Maturity					
Not more than 1 year	3,898	52%	3,621	34%	277
1 to 2 years	3,653	48%	3,898	37%	(245)
2 to 5 years	<u>–</u>	<u>–%</u>	<u>3,039</u>	<u>29%</u>	<u>(3,039)</u>
Total Loan Receivables	<u>7,551</u>	<u>100%</u>	<u>10,558</u>	<u>100%</u>	<u>(3,007)</u>

BUSINESS PROSPECTS

As the pivotal opening year of the 15th Five-Year Plan period, 2026 will see the new energy power station investment sector evolve toward a core development framework characterized by “energy storage anchoring, wind-photovoltaic differentiation, grid synergy, accelerated overseas expansion, and model upgrades.” Driven by the dual driver of the accelerated development of new energy systems and the deepening of power market reforms, the industry's investment logic has shifted from “scale expansion” to “quality and quantity advancement.” Independent energy storage, offshore wind power, integrated wind-photovoltaic-storage projects, and high-growth overseas markets have become core strategic focus areas. Concurrently, refined electricity pricing mechanisms, optimized grid consumption, technological iteration and upgrades, and precise cost control remain key variables determining the profitability of new energy projects, while also imposing higher demands on the industry's high-quality development.

In light of these trends, state-owned energy enterprises—particularly those investing in and operating wind-photovoltaic-storage power stations—should focus on core sectors and optimize their deployment strategies: prioritize standalone energy storage and offshore wind power projects, steadily advance integrated wind-photovoltaic-storage base construction, and strengthen synergies across multiple energy sources. Concurrently, we must continuously enhance power market trading capabilities, fully leverage market-based approaches to optimize revenue structures, and elevate project profitability.

Looking forward, as the construction of new power systems deepens and electricity market reforms advance, investment in new energy power stations will gradually shift from “policy-driven” to “market-driven,” intensifying industry competition. Investment entities possessing core technological advantages, efficient operational capabilities, and premium resource integration capabilities will seize development opportunities and stand out during the industry shakeout. The Group will align with market trends, execute precise strategic deployments, focus on core industry sectors, strengthen technological innovation and operational control and management, actively expand overseas markets, and drive higher-quality business development to seize opportunities at the outset of the 15th Five-Year Plan period.

Wind Power and Photovoltaic Power: Structural Optimization and Value Deepening

In 2026, wind and photovoltaic operations will center on “structural optimization and value deepening,” aligning with the industry’s high-quality development trajectory. By navigating through total capacity adjustments and technological iterations, the Group will uncover growth opportunities, address sector challenges, and achieve enhanced quality and efficiency.

In the photovoltaic sector, 2026 will mark a new phase characterized by total volume adjustment, structural optimization, and high-quality development for photovoltaic power station investments. Domestic new installations are projected to reach 180–240GW, reflecting a decline from the high levels seen in 2025. Technologically, N-type high-efficiency cells will fully replace PERC cells, large-size high-power modules will achieve widespread adoption, and photovoltaic-storage integration will become standard practice for photovoltaic projects. Cutting-edge technologies like perovskite tandem cells and silver-free solutions will gradually enter industrial pilot phases, driving technological iteration and upgrades. Concurrently, the industry faces multiple challenges, including declining market-based electricity prices, significant grid consumption pressures, excess capacity across the industrial chain, and pressure on project returns. Regarding investment strategies, focus should be placed on large-scale desert, Gobi and wilderness photovoltaic bases and high-quality distributed photovoltaic projects, prioritizing regions with favorable grid consumption conditions and stable electricity prices. Measures such as adopting high-efficiency N-type technology, optimizing energy storage configurations, enhancing digital operation and maintenance capabilities, and expanding green electricity trading and carbon trading revenues should be implemented. Adopting an integrated investment-construction-operation model will improve project returns and resilience.

In the wind power sector, China's wind power station investments will maintain steady growth through 2026, with domestic new installations projected at 120–140GW, where offshore wind power will emerge as the industry's core growth driver. Technologically, large-megawatt turbines and grid-forming wind turbines will become widely adopted. Commercialization of deep-sea and floating wind power will accelerate, while digital and intelligent O&M will become standard practice for wind power projects, continuously improving turbine efficiency and reliability. The industry also faces multiple challenges. Factors such as declining market-based electricity prices, grid consumption constraints, land and sea use restrictions, insufficient equipment reliability, and supply chain volatility impose higher demands on project investment and operations. Regarding investment strategy, focus should be placed on large-scale offshore wind power bases and high-quality onshore wind power projects, prioritizing regions with strong grid consumption and stable electricity prices. By selecting efficient and reliable turbine models, strengthening the coordinated development of wind, photovoltaics, and storage, optimizing electricity market-based trading strategies, and enhancing full-lifecycle O&M capabilities, an integrated investment-construction-operation model will ensure project returns and achieve steady business growth.

Energy Storage: Diversified Empowerment and Lean Development

In 2026, the energy storage sector will advance toward a critical development phase characterized by deep integration of scale and marketization, centered on the core principles of “diversified empowerment and lean development.” The market exhibits a robust growth pattern marked by “high aggregate growth and structural optimization”. Concurrently, the industry will address challenges through technological iteration and innovative profit models to achieve high-quality development.

In terms of market scale, China’s new energy storage installations are projected to reach approximately 80GW/260GWh by 2026, marking a year-on-year increase exceeding 60%. Direct investment will surpass RMB250 billion, reflecting robust industry growth momentum. Structurally, standalone energy storage will dominate the market, accounting for 68% of investments, primarily driven by large-scale new energy base construction and grid-side regulation demand expansion. User-side energy storage will accelerate penetration into industrial microgrids and data centers, reaching approximately 22% of the market with increasingly diverse applications. New energy-supporting storage will transition toward longer-duration and higher-efficiency solutions, accounting for about 10% to accommodate large-scale new energy consumption demand. With the advancement of comprehensive electricity spot market coverage, the functional positioning of energy storage has evolved from a supplementary role for new energy to a core grid regulation asset. Regional deployment is gradually concentrating in areas with improved consumption conditions, such as Northwest and North China, as well as provinces with mature market-based mechanisms like Jiangsu and Guangdong, forming a differentiated development pattern.

Technologically, three key development trends are emerging: “mainstream iteration, breakthroughs in long-duration storage, and grid-empowering capabilities.” Mainstream technologies continue to optimize, with lithium iron phosphate (LFP) battery technology still dominating the market. Large-capacity cells exceeding 500Ah have achieved full-scale mass production, while fully liquid-cooled and high-voltage cascading solutions have become standard configurations for large-scale energy storage projects. These advancements have driven a 10%-15% reduction in the comprehensive cost of energy storage systems, with cost control efforts yielding increasingly significant results. Long-duration energy storage enters its first year of scaled development, with configurations of 4 hours or longer rapidly increasing to 60% market share. Long storage technologies like vanadium flow batteries and compressed air accelerate commercial deployment, achieving large-scale application in major new energy bases. This effectively addresses cross-period peak shaving challenges and supports efficient new energy consumption. Grid-shaping capabilities continue to enhance, with grid-shaping PCS deeply integrated into energy storage systems. By actively supporting grid voltage and frequency, energy storage assets transition from “passive equipment” to “active assets.” Digital intelligent operation and maintenance coupled with AI energy management systems are widely applied, boosting peak-valley arbitrage profits by over 20% and further unlocking the value of energy storage assets.

Regarding profit models, a fundamental restructuring from single-revenue dependency to diversified revenue streams has been completed, significantly enhancing project income stability. The capacity tariff mechanism has been fully implemented, establishing a three-pronged core revenue structure of “capacity fees + electricity spot arbitrage + ancillary services.” Capacity fees provide a solid foundation for energy storage project returns. Clear compensation standards in provinces like Jiangsu and Guangdong can generate over RMB20 million in annual incremental revenue for 100-megawatt-scale energy storage power stations. Synergistic efforts in electricity spot markets and ancillary service markets further expand project revenue potential. Gradual marketization of ancillary service pricing for frequency regulation, peak shaving, and reserve capacity has stabilized project payback periods at 6-8 years, enhancing industry investment appeal. Simultaneously, integrated generation-grid-load-storage systems and virtual power plant aggregation operations emerge as new growth drivers. By consolidating load-side resources, these models maximize the value of energy storage assets, attracting accelerated entry from diverse capital sources including state-owned and private enterprises, thereby fostering continuous improvement in the industry ecosystem.

Despite a promising outlook of the industry, multiple challenges persist, requiring investment strategies to enhance risk resilience through lean approaches. Core challenges center on four areas: First, market-based electricity price fluctuations and regional policy disparities create uncertainty in project returns; Second, cyclical overcapacity in the industrial chain and volatility in core material prices exert significant pressure on project cost control; Third, grid consumption constraints and land resource scarcity limit project implementation progress in certain regions; Fourth, increasingly stringent safety and compliance requirements heighten the difficulty of managing the safety of energy storage systems within its entire lifecycle. To address these challenges, investors should focus on core regions with favorable grid consumption conditions and clear policy frameworks, prioritizing standalone energy storage and integrated wind-photovoltaic-storage projects. In technology selection, balance efficiency and reliability by prioritizing long-duration, grid-forming solutions. At the operational level, strengthen integrated investment-construction-operation management. Achieve steady improvements in project returns by optimizing charge-discharge strategies, expanding green electricity trading and carbon trading revenues, and enhancing digital operation and maintenance capabilities. This will drive the transition of energy storage investment from scale expansion to value growth, supporting the industry's sustained and healthy development.

FINANCIAL REVIEW

The Group's revenue increased by approximately 6.5% from RMB1,295,563,000 for the year ended 31 December 2024 to RMB1,379,986,000 for the year ended 31 December 2025. The increase was mainly due to the increase of revenue generated from power generation segment during the year ended 31 December 2025. Profit attributable to owners of the Company amounted to RMB188,308,000 for the year ended 31 December 2025, which represented a year-on-year increase of approximately 65.0% when compared with that for the year ended 31 December 2024. Basic earnings per share for the year ended 31 December 2025 was RMB10.17 cents when compared with RMB6.16 cents recorded for the year ended 31 December 2024.

Revenue

During the year ended 31 December 2025, the Group achieved revenue of RMB1,379,986,000 (2024: RMB1,295,563,000), representing an increase of approximately 6.5% as compared to that of the year ended 31 December 2024. Composition of revenue for the years ended 31 December 2025 and 2024 is shown in the following table:

Year ended 31 December

	2025		2024	
	<i>RMB'000</i>	Percentage of the Group's total revenue	<i>RMB'000</i>	Percentage of the Group's total revenue
EPC and consultancy and general construction	382,969	27.8%	517,228	39.9%
Power generation	982,064	71.2%	756,231	58.4%
Financing	14,953	1.0%	22,104	1.7%
Total	<u>1,379,986</u>	<u>100%</u>	<u>1,295,563</u>	<u>100%</u>

Benefiting from the increasing proportion of revenue from self-owned power plants, the power generation of the year was 2.16 billion kWh. The power generation segment has become the Group's largest source of revenue. For the year ended 31 December 2025, revenue derived from power generation segment achieved a growth of approximately 29.9% to RMB982,064,000 (2024: RMB756,231,000).

For the year ended 31 December 2025, EPC and consultancy and general construction segment contributed RMB382,969,000 (2024: RMB517,228,000), representing a decrease of approximately 26.0% as compared to that for the year ended 31 December 2024. The decrease in revenue was mainly due to the fact that the focus of photovoltaic power station EPC business was on the development and construction of internal power stations.

Revenue from the financing segment decreased by approximately 32.4% to RMB14,953,000 (2024: RMB22,104,000), mainly contributed by the decrease in loan interest income and handling fee of the Group as compared with last year.

Profit

Profit for the year ended 31 December 2025 amounted to RMB177,944,000 (2024: RMB119,901,000), representing an increase of approximately 48.4% compared with 2024. The increase in profit was mainly attributable to the shift of the Group's business development from undertaking external EPC projects to holding and operation of power stations. The gross profit margin of power stations were relatively higher and the scale of power stations put into operation during the year increased, resulting in an increase in profit correspondingly.

The net profit margin of the Group increased to 12.9% (2024: 9.3%). Net profit margin of the Group varied in different segments depending on its business nature. Profit attributable to owners of the Company for the year ended 31 December 2025 increased by approximately 65.0% to RMB188,308,000 (2024: RMB114,136,000) and basic and diluted earnings per share was RMB10.17 cents (2024: RMB6.16 cents).

Other income and gains

Other income and gains for the year ended 31 December 2025 amounted to RMB11,800,000 (2024: RMB13,522,000) which were mainly derived from gain on derecognition of payables and interest income (2024: interest income).

Staff Costs

The staff costs increased by approximately 0.1% to RMB63,286,000 (2024: RMB63,206,000).

Depreciation

The deprecation of the Group increased by approximately 13.4% to RMB391,822,000 for the year ended 31 December 2025 (2024: RMB345,659,000), which was due to the operation of new power stations and the depreciation during the year.

Other Operating Expenses

Other operating expenses mainly included bank charges, professional fees, research and developments expenses, travelling expenses etc, which amounted to RMB34,415,000 (2024: RMB28,865,000) for the year ended 31 December 2025, representing an increase of approximately 19.2% compared with last year. The increase was mainly due to the increase in bank charges.

Finance Costs

Finance costs primarily represented interest expenses on bank and other borrowings. Finance costs for the year ended 31 December 2025 decreased by approximately 7.3% to RMB199,691,000 (2024: RMB215,523,000) compared with last year.

Income Tax Expense

For the year ended 31 December 2025, income tax expense of the Group increased by approximately 21.7% to RMB53,748,000 (2024: RMB44,157,000) which was mainly due to the increase in the overall profit before tax.

Financial Position

As at 31 December 2025, total assets of the Group were RMB10,758,847,000 (2024: RMB10,323,470,000), representing an increase of approximately 4.2% as compared to that for the year ended 31 December 2024. Current assets decreased by approximately 3.3% to RMB3,308,892,000 (2024: RMB3,420,050,000) and non-current assets increased by approximately 7.9% to RMB7,449,955,000 (2024: RMB6,903,420,000). Total liabilities as at 31 December 2025 were RMB8,865,498,000 (2024: RMB8,612,255,000), representing an increase of approximately 2.9% as compared to that as at 31 December 2024. In particular, current liabilities as at 31 December 2025 were RMB3,349,755,000 (2024: RMB3,345,013,000), representing an increase of approximately 0.1% as compared to that as at 31 December 2024, which was principally due to the increase in bank and other borrowings. Non-current liabilities as at 31 December 2025 were RMB5,515,743,000 (2024: RMB5,267,242,000), representing an increase of approximately 4.7% as compared to that as at 31 December 2024 as a result of the increase in long-term borrowings and lease liabilities. Total equity attributable to owners of the Company as at 31 December 2025 was RMB1,865,695,000 (31 December 2024: RMB1,673,197,000), representing an increase of approximately 11.5% as compared with that as at 31 December 2024.

Liquidity, Financial Resources and Gearing

As at 31 December 2025, net current liabilities of the Group amounted to RMB40,863,000 (2024: net current assets of RMB75,037,000). Besides, the Group maintained cash and cash equivalents of RMB797,960,000 as at 31 December 2025 (2024: RMB831,871,000), of which approximately 0.48% was in Hong Kong dollars, 98.52% was in Renminbi and 1% was in United States dollars (2024: approximately 0.79% was in Hong Kong dollars, 95.44% was in Renminbi and 3.77% was in United States dollars).

As at 31 December 2025, the Group had outstanding bank and other borrowings of RMB7,392,224,000 (2024: RMB7,027,693,000), which was totally in Renminbi (2024: totally in Renminbi). All of the Group's borrowings as at 31 December 2025 were arranged on floating rate basis with effective interest rates ranged from 1.5% to 4.9% per annum (2024: ranged from 1.5% to 7.0% per annum). Except for certain bank and other borrowings which were committed loan facilities with specific maturity dates, the Group's borrowings contained repayment on demand clause at any time at the discretion of the banks. Under the Hong Kong Accounting Standards, the Group separated and classified the bank and other borrowings as current and non-current liabilities in the consolidated statement of financial position as at 31 December 2025 in accordance with terms of settlement. Of the total bank and other borrowings as at 31 December 2025, RMB2,271,200,000 (2024: RMB2,098,277,000) was loans repayable within one year and the balance of RMB5,121,024,000 (2024: RMB4,929,416,000) was repayable after one year.

As at 31 December 2025, the Group's gearing ratio was 4.12 (2024: 4.31), which was calculated on the basis of total debt over total equity of the Company. Total debt comprises loans included in bank and other borrowings and lease liabilities.

The Group's debt-to-asset ratio was 0.82 (31 December 2024: 0.83), which decreased by 1.2% compared with last year.

Pledge of Assets

Pledged bank deposits represents deposits pledged to banks to secure general banking facilities granted to the Group and deposits amounting to RMB58,522,000 (2024: Nil) have been pledged for certain pending lawsuits. Deposits amounting to RMB84,918,000 (2024: RMB100,894,000) have been pledged to secure general banking facilities and are classified as current assets. As at 31 December 2025, the Group had finance lease receivables amounting to RMB60,873,000 (2024: RMB68,705,000), trade and bills receivables approximately amounting to RMB435,103,000 (2024: RMB517,788,000) and power plants amounting to RMB1,959,491,000 (2024: RMB2,068,755,000) respectively, which have been pledged to secure the bank and other borrowings of the Group.

Save as disclosed above, the Group had no other pledge of its assets as at 31 December 2025 (2024: Nil).

Capital Expenditure and Commitments

During the year ended 31 December 2025, the Group had capital expenditure of RMB903,075,000 (2024: RMB1,589,657,000), which was used for the purchase of property, plant and equipment.

As at 31 December 2025, the Group has capital commitments of RMB1,045,915,000 (2024: RMB964,591,000) for power plants construction.

Contingent liabilities

The Group is currently a defendant in three lawsuits brought by parties alleging the Group's default on payments for construction and equipment costs. No provision has been made for these pending legal proceedings and claims as the outcome of the legal proceedings and claims cannot be reasonably estimated and the management, based on the advice from the Group's legal counsel, believes that the probability of loss is remote.

As at 31 December 2025, the amount of pending litigation matters of which the Group as the defendant was RMB135,120,000 (2024: Nil).

CORPORATE GOVERNANCE

The Board has committed to achieve high corporate governance standards to safeguard the interests of shareholders and to enhance corporate value and accountability.

The Company has applied the principles as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

To the best knowledge and belief of the Directors, the Company has complied with all applicable code provisions of the CG Code throughout the year ended 31 December 2025, except the following deviation:

The code provision C.5.7 set out in the CG Code stipulates that, if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. Independent non-executive directors who, and whose close associates, have no material interest in the transaction should be present at that board meeting.

During the year and up to the date of this announcement, the Board approved certain connected transactions and continuing connected transactions by circulation of written resolutions in lieu of physical Board meetings, for which certain Directors who also held senior positions in the substantial shareholders of the Company, were regarded as having material interests therein. As the Directors of the Company are living and working far apart, adoption of written resolutions in lieu of physical Board meetings allows the Board to make a decision relatively quicker in response to the rapid change in the markets. Before formal execution of the written resolutions, the Directors (including the independent non-executive Directors) had discussed the matters via emails and made amendments to the transactions as appropriate.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding Directors' dealings in the Company's securities (the "**Code of Conduct**") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made for all the Directors and the Directors have confirmed that they have complied with the Code of Conduct and the Model Code throughout the year ended 31 December 2025.

The Company has also established written guidelines no less exacting than the Model Code (the "**Employees Written Guidelines**") for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

AUDIT COMMITTEE

The Company has an audit committee (the "**Audit Committee**") which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and risk management and internal controls.

The consolidated financial statements of the Group for the year ended 31 December 2025 have been reviewed by the Audit Committee and approved by the Board.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary results announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2025. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary results announcement.

EVENT AFTER REPORTING PERIOD

Change of Company Secretary and Authorised Representative

Ms. Ye Han resigned as the company secretary of the Company and ceased to act as the authorised representative of the Company with effect from 15 January 2026. Ms. Koo Ching Fan has been appointed as the company secretary, authorised representative and process agent of the Company with effect from 15 January 2026. Please refer to the Company's announcement dated 15 January 2026 for further details.

Change of Director, Chairman, Authorised Representative and Process Agent

Mr. Li Hongwei resigned as the Chairman, executive Director, member of remuneration committee, the chairman of the nomination committee, the authorised representative and the process agent of the Company with effect from 27 January 2026. Mr. Wang Haoying has been appointed as the Chairman, a non-executive Director, member of the remuneration committee, chairman of the nomination committee, the authorised representative and the process agent, all with effect from 27 January 2026. Please refer to the Company's announcement dated 27 January 2026 for further details.

Discloseable Transaction in respect of the Acquisition of the Entire Equity Interest in Ningxia Tianping Boguang New Energy Co., Ltd.* (寧夏天平博光新能源有限公司)

On 10 February 2026, CNI (Nanjing) Energy Development Company Limited* (中核(南京)能源發展有限公司) (“CNI”), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company, as purchaser and Ningxia Jiayang Energy Co., Ltd* (寧夏佳洋能源有限公司) (“Ningxia Jiayang”), a company incorporated in the PRC with limited liability, being the sole shareholder of the Ningxia Tianping Boguang New Energy Co., Ltd. (the “Target Company”), as seller entered into the equity transfer agreement (the “Ningxia SPA”), pursuant to which CNI conditionally agreed to acquire and Ningxia Jiayang conditionally agreed to dispose of the entire equity interest in the Target Company at an aggregate consideration of RMB80,382,640.20 (the “Ningxia Acquisition”). Upon completion of the Ningxia Acquisition, the Target Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial results of the Group.

In accordance with the Ningxia SPA, Ningxia Jiayang shall provide a bank performance guarantee (the “Bank Performance Guarantee”) (the terms of which shall be approved by CNI) of RMB30 million for a term of three years commencing from the date of completion, guaranteeing the Target Company’s post-transfer guaranteed income as stipulated in the operational services commissioning agreement, in which Ningxia Jiayang shall provide power trading services for the charging and discharging of the energy storage power station and frequency-regulation services to the Target Company. Secured by the Bank Performance Guarantee, Ningxia Jiayang guarantees a cumulative gross income from the electricity price spread from transactions and the frequency-regulation service over the three-year period to be no less than RMB126 million, with the first year’s gross income from electricity price spread and frequency-regulation services of no less than RMB46 million, and each of second and third years’ gross income from electricity price spread be no less than RMB40 million.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Ningxia Acquisition is more than 5% but less than 25%, the Ningxia Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Therefore, the Ningxia Acquisition is subject to the notification and announcement requirements as set out in Chapter 14 of the Listing Rules.

Further details in respect of the Ningxia Acquisition are set out in the Company’s announcement dated 10 February 2026.

Save as disclosed above in this announcement, there were no other significant events after the end of the reporting period and up to the date of this announcement.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2025.

ANNUAL GENERAL MEETING

The annual general meeting (“AGM”) of the Company will be convened on Friday, 29 May 2026 at 11:00 a.m. Notice of AGM will be published and issued to shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on Friday, 29 May 2026, the register of members of the Company will be closed from Friday, 22 May 2026 to Friday, 29 May 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company should ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 21 May 2026. Shareholders whose names appear on the register of members of the Company on 22 May 2026 will be entitled to attend and vote at the AGM.

By Order of the Board
China Nuclear Energy Technology Corporation Limited
Wang Haoying
Chairman

Hong Kong, 26 March 2026

As at the date of this announcement, the non-executive Director of the Company is Mr. Wang Haoying (Chairman); the executive Directors of the Company are Mr. Wu Rong (Vice Chairman), Mr. Qiu Wenhe (Vice Chairman), Mr. Liu Genyu, Mr. Li Xiaofeng, Ms. Du Ruili; and the independent non-executive Directors of the Company are Dr. Xu Shiqing, Dr. Su Lixin and Mr. Wang Ruzhang.