You should read the following discussion and analysis in conjunction with the historical financial information as of and for each of the years ended December 31, 2023, 2024 and 2025, and the notes thereto included in the Accountants' Report which have been prepared in accordance with IFRS Accounting Standards and the selected financial information and operating data included elsewhere in this document. You should read the entire Accountant's Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully all of the information provided in this document.

OVERVIEW

We are a provider of tower CSP and molten salt energy storage solutions. We focus on related technology research, equipment sales and engineering applications, and possess service capabilities covering project development, construction consulting, and post-commissioning operational support. From 2021 to 2024, a total of 20 molten salt tower CSP projects in China with an aggregate designed capacity of 2,160MW were substantially commenced with suppliers of the collector systems engaged. We provided collector systems, the most critical sub-system of molten salt tower CSP plants, for 11 of 20 such plants in China with an aggregate designed capacity of 1,250MW. In addition, as of the Latest Practicable Date, we were also the only collector system provider in the world which serviced molten salt tower CSP plants with an aggregate designed capacity of over 1GW, according to the F&S Report.

During the Track Record Period, our business has grown rapidly, and we have achieved significant increases in revenue and profit. Our revenue increased from RMB857.9 million in 2023 to RMB2,189.3 million in 2024 and further to RMB2,192.6 million in 2025. Gross profit rose from RMB310.0 million in 2023 to RMB694.7 million in 2024, and further to RMB825.8 million in 2025 as our CSP solutions scaled. Benefiting from continued scale-up of ongoing CSP projects, our net profit increased from RMB248.3 million in 2023 to RMB540.1 million in 2024, and further to RMB567.6 million in 2025. In 2023, 2024 and 2025, our gross profit margin amounted to 36.1%, 31.7% and 37.7%, respectively, while our net profit margin amounted to 28.9%, 24.7% and 25.9%, respectively, for the same periods.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that factors that significantly affecting our results of operations and financial condition include the following.

Technological Innovation and Reduction of LCOE

Technological advancement and economies of scale have been critical in driving down the LCOE of solar thermal power generation. During the Track Record Period, we continuously optimized our solutions through larger-scale deployment, improved heliostat field design, and enhanced storage efficiency. These measures contributed to steady improvements in power plant performance and reductions in levelized cost of electricity. According to the F&S Report, China's CSP LCOE is projected to fall to RMB0.45/kWh by 2030 and further decline to RMB0.38/kWh by 2035. The reduction in costs is expected to make solar thermal power increasingly competitive against other clean power generation technologies, thereby expanding our addressable market and supporting sustainable revenue growth.

Government Policies and Regulatory Framework

Our operating performance are closely linked to national energy policies and regulatory framework. During the Track Record Period, the PRC Government actively promoted the construction of large-scale “renewable mega-base” projects, which mandated the inclusion of solar thermal power as a complementary source of stable and dispatchable energy. In particular, the National Energy Administration and relevant provincial authorities issued multiple guidelines between 2022 and 2024 requiring that the solar thermal power be allocated in newly approved projects, with prescribed minimum ratios in certain regions ranging from 1:6 to 1:9 against photovoltaic and wind capacity. These policies have driven demand for our solar thermal technology and directly contributed to the continued growth of our project portfolio. The *Energy Law of the People’s Republic of China*, which came into effect on January 1, 2025, further institutionalizes the role of solar thermal power in China’s energy system and provides sustained policy support to our business. In December 2025, the NDRC and NEA issued the “Opinions on Promoting the Scaled Development of Concentrated Solar Power” (《關於促進光熱發電規模化發展的若干意見》[發改能源[2025]1645號]), establishing a top-level framework and 2030 target of around 15 GW of total CSP installed capacity, improving long-term visibility and providing a roadmap to scale CSP beyond the demonstration stage toward more market-oriented development.

Continue to Procure and Complete Benchmark Projects

Our operating performance also benefited from the implementation of national and provincial benchmark projects that demonstrate the scalability and commercial viability of CSP plants. For example, in November 2024, we successfully secured approval for Qinghai Yichu Golmud 350MW Tower CSP Project, which is currently the largest single-unit solar thermal power station in the world. This project is expected to serve as a benchmark for the industry by lowering costs and improving operational performance, thereby enhancing the scalability of solar thermal power nationwide. In addition, the favourable feed-in tariff policy of RMB0.55/kWh announced in Qinghai in December 2024 is expected to improve the investment returns of solar thermal projects and provide further momentum to industry expansion, which in turn will support our revenue growth. Participation in such benchmark project affords us various tangible and intangible benefits, such as unique operational experience, and market reputation, all of which we believe help us solidify our market position and procure additional new CSP projects.

Industry Position and Market Share

According to the F&S Report, we were the leading provider of collector system for molten salt tower CSP projects in China from 2021 to 2024 with market shares of 57.9% and 55.0% in terms of installed capacity and number of projects, respectively. As of the Latest Practicable Date, we were also the only collector system provider in the world which serviced molten salt tower CSP plants with an aggregate designed capacity of over 1GW, which provides us with a significant competitive advantage and a solid foundation for future growth. Many CSP projects procure suppliers through open bidding process, and we believe our strong presence in the industry help us secure new projects and forge long-term strategic relationship with other leading market participants, in order to continue to grow our revenue.

BASIS OF PREPARATION

The Historical Financial Information is based, have been prepared in accordance with the accounting policies which IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”).

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the Group’s accounting period beginning on January 1, 2025, throughout the Track Record Period.

MATERIAL ACCOUNTING POLICY INFORMATION, CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

We have identified certain accounting policies that are material to the preparation of our financial information. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgements relating to accounting items. In each case, the determination of these items requires management judgements based on information and financial data that may change in future periods. There has not been any material deviation from our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes to these estimates and assumptions in the foreseeable future.

See note 3 and note 4 to the Accountants' Report included in Appendix I of the document for details on our material accounting policy information and critical accounting judgements and key sources of estimation uncertainty.

REVIEW OF HISTORICAL RESULTS OF OPERATIONS

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Revenue	857,892	2,189,265	2,192,618
Cost of sales	(547,873)	(1,494,528)	(1,366,865)
Gross profit	310,019	694,737	825,753
Other income	29,516	64,513	73,990
Other expenses	(9,889)	(7,132)	(20,113)
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Other gains and losses	114,997	14,312	13,011
Selling and marketing expenses	(40,042)	(32,346)	(27,136)
Administrative expenses	(72,799)	(57,336)	(66,230)
Research and development expenses	(37,865)	(62,363)	(78,761)
Share of results of associates	8,556	1,884	5,027
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	(13,686)	2,502	(49,061)
Finance costs	(2,431)	(149)	(3,317)
Profit before tax	286,376	618,622	659,674
Income tax expenses	(38,047)	(78,559)	(92,117)
Profit for the year	248,329	540,063	567,557
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Fair value changes on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**")	748	406	(843)
Total comprehensive income for the year	249,077	540,469	566,714
Profit for the year attributable to:			
Owners of the Company	247,768	540,063	567,557
Non-controlling interests	561	—	—
	248,329	540,063	567,557
Total comprehensive income for the year attributable to:			
Owners of the Company	248,516	540,469	566,714
Non-controlling interests	561	—	—
	249,077	540,469	566,714

DESCRIPTION OF KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we derived substantial majority of our revenue from services provided to molten salt tower CSP projects. We also generated a portion of revenue from sales of photovoltaic tracker and other materials and services. During the Track Record Period, we achieved significant revenue growth as major projects progressed from initial execution to large-scale implementation. Our total revenue increased from RMB857.9 million in 2023 to RMB2,189.3 million in 2024, primarily attributable to the commencement and progression of our molten salt tower CSP plant projects. In 2025, our revenue reached RMB2,192.6 million, representing a 0.2% increase compared with RMB2,189.3 million in 2024.

The following table sets forth a breakdown of our revenue by types of goods and services for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Types of goods and services						
Molten salt tower CSP plant solution	854,394	99.6	2,079,181	95.0	2,157,194	98.4
— Sales of collector system and other Core Sub-Systems	844,933	98.5	2,073,137	94.7	2,126,274	97.0
— Construction Consultation, O&M Technical Guidance and other Technical Services	9,461	1.1	6,044	0.3	30,920	1.4
Photovoltaic tracker[1]	—	—	108,319	4.9	9,027	0.4
Other materials and services[2]	3,498	0.4	1,765	0.1	26,397	1.2
Total	857,892	100.0	2,189,265	100.0	2,192,618	100.0

Notes:

(1) The fluctuation of our revenue from photovoltaic tracker supporter business during the Track Record Period was primarily due to the timing of project delivery and customer acceptance. Revenue from our photovoltaic tracker business is recognized at the point in time when customers accept the delivered goods and services. In 2024 and 2025, projects were delivered to and accepted by customers, resulting in revenue recognition in those periods. In 2023, no photovoltaic tracker projects reached the stage of delivery and customer acceptance, and accordingly no revenue was recognized. Going forward, we will focus our efforts on the more competitive CSP and molten salt energy storage segments. For details, see "Business — Photovoltaic Tracker Business."

(2) Our other revenue are primarily comprise of our new energy technology consulting business and the sale of miscellaneous spare parts.

The sales of collector system and other core sub-systems involve delivering core equipment for CSP plants, such as collector systems and exchange systems, to customers according to their requirements. Sales contracts typically specify the unit prices for each deliverable component. On a monthly basis, we compile the actual work completed into a workload confirmation document, which details both the monthly and cumulative progress. This document is then jointly reviewed and verified by the customer and an independent third-party supervisor (if any). Using the stipulated unit prices and the monthly confirmed work volumes, we determine the value of goods transferred to the customer and recognize revenue accordingly. During the Track Record Period, there were no material differences between the amount of revenue recognized by us and the value of goods or services eventually confirmed by customers.

Cost of Sales

Our cost of sales mainly consists of (i) materials costs, (ii) labour costs and (iii) other related costs in connection with the implementation of our projects. In 2023, 2024 and 2025, our total cost of sales amounted to RMB547.9 million, RMB1,494.5 million and RMB1,366.9 million, respectively. Material costs are the largest component of our cost of sales, accounting for 90.4%, 93.5% and 90.5% of our cost of sales for the same periods, respectively. The increase in our cost of sales in 2024 was generally in line with our revenue growth alongside the increased number of projects delivered. The decrease in our cost of sales in 2025 was primarily due to the decline in material costs as we delivered software and technical services for certain projects in the year, which led to less consumption of direct materials.

The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Material Costs	495,004	1,397,799	1,236,931
Labor Costs	12,095	25,024	31,938
Others	40,774	71,705	97,996
Total	547,873	1,494,528	1,366,865

Gross Profit and Gross Profit Margin

Our gross profit amounted to RMB310.0 million, RMB694.7 million and RMB825.8 million for the year ended December 31, 2023, 2024 and 2025, respectively, and our overall gross profit margin amounted to 36.1%, 31.7% and 37.7% for the respective periods.

As a project-based CSP solutions provider, our gross profit improved markedly as our molten salt tower CSP plant solution business commenced and scaled up. The slight period-over-period decreases in our overall gross profit margin in 2024 was primarily due to the project-based nature of our operations as our gross profit margin was affected by the progress and profitability of each project delivered for a given period.

The table below sets forth a breakdown of our gross profit and gross profit margin by products and services for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%
Molten salt tower CSP plant solution	308,933	36.2	679,748	32.7	805,392	37.3
— Sales of collector system and other Core Sub-Systems	305,622	36.2	677,754	32.7	794,721	37.4
— Construction Consultation, O&M Technical Guidance and other Technical Services	3,311	35.0	1,994	33.0	10,671	34.5
Photovoltaic tracker	—	—	14,640	13.5	75	0.8
Other materials and services	1,086	31.0	349	19.8	20,286	76.8
Total	310,019	36.1	694,737	31.7	825,753	37.7

Other Income

Our other income mainly consisted of government grants, interest income from our bank deposit, extra deduction of value-added tax, and technical support service income from certain joint research and development agreements for specific products entered into with independent third parties. In 2023, 2024 and 2025, our other income amounted to RMB29.5 million, RMB64.5 million and RMB74.0 million, respectively.

The following table sets forth a breakdown of our other income for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants — income related	11,622	41,365	53,200
Interest income	13,516	10,463	1,037
Extra deduction of value-added tax ("**VAT**")	—	8,104	14,894
Technical support service income	1,954	3,556	3,821
Others	2,424	1,025	1,038
Total	29,516	64,513	73,990

Other Expenses

Our other expenses mainly consisted of tax surcharges and donations. In 2023, 2024 and 2025, we incurred other expenses of RMB9.9 million, RMB7.1 million and RMB20.1 million, respectively.

Other gains and losses

During the Track Record Period, our other gains and losses mainly consisted of (i) fair value changes of financial assets at FVTPL, (ii) gain on disposal of a subsidiary, and (iii) gain from re-measurement investment retained in the former subsidiary at fair value at the date of losing control. In

2023, we had a one-off gain on disposal of a subsidiary of RMB90.8 million. The disposal was part of our effort to focus on our core business operations. Our other gains and losses amounted to RMB115.0 million, RMB14.3 million and RMB13.0 million in 2023, 2024 and 2025, respectively.

Selling and marketing expenses

Our selling and marketing expenses mainly consisted of labor costs for our sales and marketing staff, share-based payment expenses, travelling expenses and business development expenses. In 2023, 2024 and 2025, our selling and marketing expenses amounted to RMB40.0 million, RMB32.3 million and RMB27.1 million, representing 4.7%, 1.5% and 1.2% respectively, of our total revenue.

The table below sets forth a breakdown of our selling and marketing expenses for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Labor Costs	25,418	16,538	12,707
Share-based payment expenses	1,857	1,675	1,574
Travelling expenses	2,776	3,145	3,245
Business development expenses	5,176	6,153	6,192
Others[Note]	4,815	4,835	3,418
Total	40,042	32,346	27,136

Note: Including but not limited to marketing cost, bidding service fee and depreciation and amortization.

Administrative Expenses

Our administrative expenses mainly consisted of labor costs for our administrative personnel, share-based payment expenses, depreciation and amortization, business development and travel expenses. In 2023, 2024 and 2025, our administrative expenses amounted to RMB72.8 million, RMB57.3 million and RMB66.2 million, respectively, representing 8.5%, 2.6% and 3.0% of our total revenue.

The table below sets forth a breakdown of our administrative expenses for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Labor costs	48,054	35,100	41,618
Share-based payment expenses	2,187	3,796	3,081
Depreciation and amortization	6,642	4,341	6,024
Business development and travel expenses	5,499	4,799	4,814
Others[Note]	10,417	9,300	10,693
Total	72,799	57,336	66,230

Note: Including but not limited to agent service fee, banking processing fee and administrative fee.

Research and Development Expenses

Our research and development expenses mainly consisted of labor costs of our research and development staff members, share-based payment expenses, materials consumed, and depreciation and amortization. In 2023, 2024 and 2025, our research and development expenses amounted to RMB37.9 million, RMB62.4 million and RMB78.8 million respectively, representing 4.4%, 2.9% and 3.6% of our total revenue.

The table below sets forth a breakdown of the key components of our administrative expenses for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Labour costs	26,364	40,556	49,379
Share-based payment expenses	1,479	2,718	2,209
Material consumed	4,460	14,724	20,080
Depreciation and amortization	2,390	1,540	3,176
Others[Note]	3,172	2,825	3,917
Total	37,865	62,363	78,761

Note: Including but not limited to transportation expenses.

Share of Results of Associates

Share of results of associates represents profits or losses attributable to us from our investments in associates. We recorded share of profit of associates of RMB8.6 million, RMB1.9 million and RMB5.0 million in 2023, 2024 and 2025, respectively.

Impairment Losses under Expected Credit Loss ("ECL") Model, Net of Reversal

We recognized impairment losses under ECL model, net of reversal, on our trade and bills receivables and other receivables. In 2023 and 2025, we recorded impairment losses under ECL model, net of reversal of RMB13.7 million and RMB49.1 million, respectively, mainly attributable to the increase in the balance of trade receivables and contract assets. In 2024, we recognized a reversal of impairment loss under ECL model of RMB2.5 million, primarily due to recoveries and improved collection of certain receivables.

Finance Costs

Our finance costs include interests on bank borrowings and lease liabilities. Our finance costs amounted to RMB2.4 million, RMB0.1 million and RMB3.3 million in 2023, 2024 and 2025, respectively.

The table below sets forth details of our finance costs for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interests on bank borrowings	1,351	1,669	6,406
Interests on lease liabilities	1,139	149	150
Less: amounts capitalized in the cost of qualifying assets	(59)	(1,669)	(3,239)
	2,431	149	3,317

Income Tax Credit/(Expense)

We recognized income tax expenses of RMB38.0 million, RMB78.6 million and RMB92.1 million in 2023, 2024 and 2025, respectively. In 2023, 2024 and 2025, our effective tax rates, calculated as our income tax expense divided by our profit before tax were 13.3%, 12.7% and 14.0%, respectively. Our tax rates were lower than the 25% statutory rate primarily because we and certain subsidiaries enjoyed preferential tax treatments, including High and New Technology Enterprise status, the small-scale and low-profit enterprise regime, and the additional super-deduction for qualifying research and development expenditures. For details, see note 11 to the Accountants' Report included in Appendix I.

During the Track Record Period and as of the Latest Practicable Date, our Directors confirm that we did not have any material dispute or unresolved issues with the relevant tax authorities.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our total revenue remained relatively stable at RMB2,189.3 million in 2024 and RMB2,192.6 million in 2025. This was primarily driven by an increase in revenue from our molten salt tower CSP plant solution projects, partially offset by a decrease in revenue from photovoltaic trackers.

- Molten salt tower CSP plant solution: Our revenue from this segment increased slightly by 3.8% from RMB2,079.2 million in 2024 to RMB2,157.2 million in 2025. The increase was mainly due to the intensive execution of the 11 ongoing projects which drove continuous scale-up of revenue recognized over time.

- As our 11 ongoing projects were under intensive execution in both years, revenue recognition was generally in line with the pace of project delivery.

- Photovoltaic tracker: Our revenue from this segment decreased from RMB108.3 million in 2024 to RMB9.0 million in 2025 as the majority of product delivery and acceptance for the relevant orders occurred in 2024.

- Other materials and services: Our revenue increased from RMB1.8 million in 2024 to RMB26.4 million in 2025, primarily derived from technical services.

Cost of Sales

Our cost of sales decreased by 8.5% from RMB1,494.5 million in 2024 to RMB1,366.9 million in 2025. The decrease was primarily due to the decline in material costs as a result of higher proportion of revenue related to the delivery of software and technical services, which led to less consumption of direct materials. Such decrease was partially offset by the increases in labor and other costs mainly due to the concurrent execution and progress of multiple projects.

Gross Profit and Gross Profit Margin

Our gross profit increased by 18.9% from RMB694.7 million in 2024 to RMB825.8 million in 2025. Our gross profit margin increased from 31.7% to 37.7% during the same periods. This increase in gross profit margin was mainly due to project execution stages and a higher proportion of revenue related to the delivery of software and technical services recognized during the period, which typically carry higher margins. Gross profit margin of photovoltaic trackers decreased from 13.5% in 2024 to 0.8% in 2025, primarily due to sales of spare parts.

Other Income

Our other income increased by 14.7% from RMB64.5 million in 2024 to RMB74.0 million in 2025. The increase was primarily due to a 28.6% rise in government grants from RMB41.4 million in 2024 to RMB53.2 million in 2025, reflecting an increase in software tax refunds. This was partially offset by a 90.1% decrease in interest income, which declined to RMB1.0 million in 2025 from RMB10.5 million in 2024 due to changes in our cash management strategies.

Other Expenses

Other expenses increased by 182.0% from RMB7.1 million in 2024 to RMB20.1 million in 2025, primarily due to higher tax surcharges in line with the expansion of our business operations.

[REDACTED] Expenses

We incurred [REDACTED] expenses of RMB[REDACTED] in 2025 in connection with the [REDACTED].

Other Gains and Losses

Our other gains and losses decreased by 9.1% from RMB14.3 million in 2024 to RMB13.0 million in 2025 due to decreased gains from wealth management products.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 16.1% from RMB32.3 million in 2024 to RMB27.1 million in 2025. The decrease was primarily attributable to the decrease in labor costs due to fewer sales incentives.

Administrative Expenses

Our administrative expenses increased by 15.5% from RMB57.3 million in 2024 to RMB66.2 million in 2025. The increase was primarily attributable to (i) higher labor costs as we expanded our administrative personnel and adjusted compensation and (ii) higher office expenses mainly associated with purchases of office supplies and furniture following our relocation to a new office building in the year.

Research and Development Expenses

Our research and development expenses increased by 26.3% from RMB62.4 million in 2024 to RMB78.8 million in 2025. The increase was primarily due to higher labour costs and material consumed, which increased by 21.8% and 36.4% to RMB49.4 million and RMB20.1 million in 2025, respectively, reflecting our continued expansion of R&D teams and activities in heliostat inspection equipment and system optimization.

Share of Results of Associates

Share of results of associates increased by 163.2% from RMB1.9 million in 2024 to RMB5.0 million in 2025, primarily due to improved performance of our associates.

Impairment Losses under Expected Credit Loss Model, net

We recognized a net impairment loss of RMB49.1 million in 2025, compared to a net reversal of RMB2.5 million in 2024, primarily due to an increase in the balances of contract assets and trade receivables.

Finance Costs

Our finance costs increased from RMB0.1 million in 2024 to RMB3.3 million in 2025, primarily due to an increase in interest expenses on bank borrowings attributable to new bank borrowings obtained during the year.

Income Tax Expense

Our income tax expense remained increased by 17.2% from RMB78.6 million in 2024 to RMB92.1 million in 2025, primarily due to the increase of profit before tax compared with 2024.

Profit for the Period

As a result of the foregoing, our profit for the period increase by 5.1% from RMB540.1 million in 2024 to RMB567.6 million in 2025. Our net profit margin increased from 24.7% in 2024 to 25.9% in 2025.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2024

Revenue

Our total revenue increased by 155.2% from RMB857.9 million for the year ended December 31, 2023 to RMB2,189.3 million for the year ended December 31, 2024. This significant growth was primarily driven by the scale-up of our molten salt tower CSP plant solution business.

- Molten salt tower CSP plant solution: Our revenue from this segment increased by 143.4% from RMB854.4 million to RMB2,079.2 million. The increase was primarily due to the continued scale-up of ongoing CSP projects that commenced in 2023, with a higher number of projects entering active construction and commissioning phases. As of December 31, 2023 and December 31, 2024, we had 3 and 11 on-going CSP plant projects, respectively.
- Photovoltaic tracker: Our revenue increased from nil to RMB108.3 million as new orders moved into delivery and acceptance, leading to point-in-time recognition.

- Other materials and services: Our revenue decreased from RMB3.5 million to RMB1.8 million.

Cost of Sales

Our cost of sales increased by 172.8% from RMB547.9 million for the year ended December 31, 2023 to RMB1,494.5 million for the year ended December 31, 2024, generally in line with revenue growth. The increase was mainly driven by higher materials costs, which rose to RMB1,397.8 million. Labor costs increased to RMB25.0 million and other costs increased to RMB71.7 million, reflecting the concurrent progress of multiple projects.

Gross Profit and Gross Profit Margin

Our gross profit increased by 124.1% from RMB310.0 million for the year ended December 31, 2023 to RMB694.7 million for the year ended December 31, 2024. Our gross profit margin decreased from 36.1% to 31.7%. This was mainly due to the mix of CSP projects being at different execution stages during the years and differences in gross profit margin among different CSP projects. Gross profit margin of photovoltaic trackers amounted 13.5% in 2024, as a result of products delivered for Jinta 100MW Project in 2024. We recorded no revenue or gross profit of photovoltaic trackers in 2023.

Other Income

Our other income increased by 118.6% from RMB29.5 million for the year ended December 31, 2023 to RMB64.5 million for the year ended December 31, 2024. This was primarily attributable to higher government grants relating to software product VAT refunds, recognition awards, and the additional tax deductions available to the advanced manufacturing sector, partially offset by a decline in interest income.

Other Expenses

Other expenses decreased by 28.3% from RMB9.9 million for the year ended December 31, 2023 to RMB7.1 million for the year ended December 31, 2024, primarily due to the decrease in tax surcharges as value-added tax paid in 2024 decreased as compared to that in 2023, resulting in a corresponding reduction in surcharges.

Other Gains and Losses

Our other gains and losses decreased significantly by 87.6% to RMB14.3 million for the year ended December 31, 2024 from RMB115.0 million for the year ended December 31, 2023. The significant increase in 2023 was mainly attributable to a gain on the disposal of a subsidiary and the remeasurement of a retained investment as an effort to focus on our main operations.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 19.3% from RMB40.0 million for the year ended December 31, 2023 to RMB32.3 million for the year ended December 31, 2024, primarily attributable to the curtailment of sales incentives due to a decrease in new contracts signed.

Administrative Expenses

Our administrative expenses decreased by 21.3% from RMB72.8 million for the year ended December 31, 2023 to RMB57.3 million for the year ended December 31, 2024. The decrease was primarily driven by lower labor costs following the disposal of certain subsidiaries and a decrease in certain project bonuses.

Research and Development Expenses

Our research and development expenses increased by 64.6% from RMB37.9 million for the year ended December 31, 2023 to RMB62.4 million for the year ended December 31, 2024. The increase was mainly attributable to an expansion in R&D headcount and higher spending on direct materials to support the development of new equipment and system optimizations.

Share of Results of Associates

Our share of results of associates decreased from RMB8.6 million for the year ended December 31, 2023 to RMB1.9 million for the year ended December 31, 2024, reflecting fluctuations in results of operation of the relevant associates.

Impairment Losses under Expected Credit Loss Model, net

We recognized a net reversal of impairment losses of RMB2.5 million for the year ended December 31, 2024, compared to a net impairment loss of RMB13.7 million for the year ended December 31, 2023. The reversal in 2024 was primarily due to recoveries and improved collection of certain receivables.

Finance Costs

Our finance costs decreased by 95.8% from RMB2.4 million for the year ended December 31, 2023 to RMB0.1 million for the year ended December 31, 2024. The decrease was mainly attributable to a significant increase in the capitalization of borrowing costs as more qualifying assets were under construction.

Income Tax Expense

Our income tax expense increased by 106.8% from RMB38.0 million for the year ended December 31, 2023 to RMB78.6 million for the year ended December 31, 2024, primarily due to the significant increase in profit before tax. The effective tax rate remained lower than the statutory rate due to preferential tax treatments.

Profit for the Year

As a result of the foregoing, our profit for the year ended December 31 2024 increased by 117.5% from RMB248.3 million for the year ended December 31, 2023 to RMB540.1 million. The net profit margin was 24.7% for the year ended December 31, 2024, decreasing from 28.9% for the year ended December 31, 2023.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our use of cash was primarily related to operating activities and capital expenditure. We have historically financed our operations through cash generated from our operating activities and financing activities. As of December 31, 2025, we had RMB209.7 million of available cash and cash equivalents. Our available cash and cash equivalents comprise demand deposits and short-term bank deposits held by the Group.

Going forward, we believe that our liquidity requirements will be satisfied with a combination of our internal resources, cash flows generated from our operating activities and net [REDACTED] from the [REDACTED].

The following table sets forth selected cash flow statement information for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash from (used in) operating activities	930,569	328,581	(252,538)
Net cash used in investing activities	(698,304)	(607,746)	(465,818)
Net cash from (used in) financing activities	135,213	(99,240)	472,842
Net increase (decrease) in cash and cash equivalents	367,478	(378,405)	(245,514)
Cash and cash equivalents at the beginning of the year	466,093	833,571	455,166
Cash and cash equivalents at the end of the year	833,571	455,166	209,652

Cash Flows Analysis

Net cash from (used in) operating activities

Our net cash used in operating activities in 2025 was RMB252.5 million, primarily attributable to our profit for the year of RMB567.6 million, as adjusted for (i) non-cash and non-operating items mainly including income tax of RMB92.1 million, impairment loss under ECL model, net of reversal of RMB49.1 million, and gain from financial assets at FVTPL of RMB12.5 million, (ii) the effects of movement in working capital, including a significant decrease in contract liabilities of RMB745.2 million and an increase in contract assets of RMB377.6 million, partially offset by a increase in trade, bills and other payables of RMB218.1 million, and (iii) income tax paid of RMB89.0 million.

Our net cash flow from operating activities in 2024 was RMB328.6 million, primarily attributable to our profit for the year of RMB540.1 million, as adjusted for (i) non-cash and non-operating items including income tax of RMB78.6 million, depreciation of property and equipment of RMB4.9 million, depreciation of right-of-use assets of RMB4.2 million, and share-based payment expenses of RMB10.2 million, (ii) the effects of movement in working capital, including a rise in contract assets of RMB441.8 million and a decrease in contract liabilities of RMB72.5 million generally in line with the progress of ongoing CSP projects, partially offset by an increase in trade and other payables of RMB420.8 million, and (iii) income tax paid of RMB61.6 million.

Our net cash flow from operating activities in 2023 was RMB930.6 million, primarily attributable to our profit for the year of RMB248.3 million, as adjusted for (i) non-cash and non-operating items including income tax of RMB38.0 million, depreciation of property and equipment of RMB3.4 million, depreciation of right-of-use assets of RMB4.9 million, and share-based payment expenses of RMB6.6 million, as well as gains from financial assets at FVTPL of RMB4.3 million, partially offset by gain on disposal of investments in a subsidiary of RMB90.8 million, (ii) the effects of movement in working capital, including a significant increase in contract liabilities of RMB838.6 million and an increase in trade, bills and other payables of RMB553.1 million, partially offset by an increase in trade, bills and other receivables of RMB571.2 million, and (iii) income tax paid of RMB2.0 million.

We plan to improve our net operating cash outflow position by the following measures:

- *Improving operation leverage.* During the Track Record Period, we incurred significant operating expenses including selling and marketing expenses, administrative expenses and research and development expenses. Though our operating expenses as a percentage of total revenue decreased during the Track Record Period, we plan to further improve our operational leverage to maintain the decreasing trend of the level of such expenses as a percentage of our revenue. To achieve this goal, we expect to enhance the economies of scale of our operations, increase our bargaining power and take advantage of more strict cost controls to reduce discretionary expenditures;

- *Enhancing the collection of receivables.* We have taken, and will continue to take, a series of measures to collect our trade receivables in a more efficient manner. These measures include assessing the potential customer's creditworthiness at the early stage of collaboration, performing on-going credit evaluation of financial conditions of our customers, establishing a record system to monitor receivables and outstanding amounts, maintaining management account and aging analysis table for receivables, closely following up actively communicating with customers to accelerate the collection of outstanding receivables;

- *Optimizing supplier negotiations to extend credit terms and defer cash outflows.* As our business continues to expand, we anticipate our procurement from suppliers to scale up, enabling us to negotiate more favorable terms. Furthermore, we may select to use more bank notes to settle payments to our suppliers, allowing us to extend the payment period for our suppliers and optimize our working capital.

Net cash used in investing activities

In 2025, our net cash used in investing activities amounted to RMB465.8 million, which primarily resulted from purchases of financial assets at FVTPL of RMB2,095.0 million and placement of time deposits of RMB453.5 million, partially offset by proceeds on disposal of financial assets at FVTPL of RMB2,202.1 million.

In 2024, our net cash used in investing activities amounted to RMB607.7 million, which primarily resulted from purchases of financial assets at FVTPL of RMB3,810.0 million, placement of restricted bank deposits of RMB100.0 million and payments for acquisition of property and equipment of RMB84.7 million, partially offset by proceeds from the disposal of financial assets at FVTPL of RMB3,485.2 million.

In 2023, our net cash used in investing activities amounted to RMB698.3 million, which primarily resulted from purchases of financial assets at FVTPL of RMB1,210.0 million, property and equipment of RMB137.8 million, investment in associates of RMB100.5 million, partially offset by proceeds from the disposal of financial assets at FVTPL of RMB1,084.3 million.

Net cash from (used in) financing activities

In 2025, our net cash from financing activities amounted to RMB472.8 million, primarily attributable to new bank loans raised to support certain key project and the construction of our headquarters of RMB628.7 million, partially offset by dividends paid of RMB144.1 million.

In 2024, our net cash used in financing activities amounted to RMB99.2 million, which primarily resulted from dividends paid of RMB154.9 million and repayment of lease liabilities of RMB5.6 million, partially offset by raise of new borrowings of RMB64.6 million.

In 2023, our net cash from financing activities amounted to RMB135.2 million, which primarily attributed to proceeds from issue of shares of RMB220.1 million, partially offset by repayments of borrowings of RMB100.0 million and repayment of lease liabilities of RMB4.5 million.

Working Capital Sufficiency

Taking into account the estimated [REDACTED] from the [REDACTED] and the financial resources presently available to us, including our cash and cash equivalents on hand, cash flows from operating activities, Our Directors are of the opinion that we have sufficient funds to meet our working capital requirements for at least the next 12 months from the date of this document.

Our Directors confirm that there were no material default in the payment of trade and non-trade payables, and/or breaches of financial covenants during the Track Record Period and up to the date of this document.

SELECTED BALANCE SHEET ITEMS

Net Current Assets/Liabilities

The following table sets out our current assets and liabilities as at the dates indicated:

	As of December 31,			As of January 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Current assets				
Inventories	105,241	185,343	124,977	117,340
Trade, bills and other receivables	482,028	533,760	547,668	496,940
Contract assets	106,758	591,247	946,639	961,348
Financial assets at fair value through profit or loss ("**FVTPL**")	220,000	560,106	565,545	369,040
Restricted bank deposits	59,352	100,000	11,295	19,582
Time deposits	390,813	484,758	813,200	1,048,483
Cash and cash equivalents	833,571	455,166	209,652	209,638
	2,197,763	2,910,380	3,218,976	3,222,371
Current liabilities				
Trade, bills and other payables	496,594	844,168	1,080,444	982,598
Contract liabilities	838,247	765,738	20,528	20,441
Lease liabilities	3,470	2,460	1,736	1,736
Bank borrowings	—	—	92,000	92,000
Tax liabilities	24,531	40,755	51,396	1,716
	1,362,842	1,653,121	1,246,104	1,098,491
Net current assets	834,921	1,257,259	1,972,872	2,123,880

Our net current assets increased from RMB834.9 million as of December 31, 2023 to RMB1,257.3 million as of December 31, 2024, primarily due to (i) an increase in contract assets of RMB484.5 million and (ii) an increase in financial assets at FVTPL of RMB340.1 million, partially offset by (iii) an increase in trade, bills and other payables of RMB347.6 million, partially offset by (iv) a decrease in cash and cash equivalents of RMB378.4 million.

Our net current assets increased from RMB1,257.3 million as of December 31, 2024 to RMB1,972.9 million as of December 31, 2025, primarily due to a decrease in contract liabilities of RMB745.2 million.

Our net current assets increased from RMB1,972.9 million as of December 31, 2025 to RMB2,123.9 million as of January 31, 2026, primarily due to (i) an increase in time deposits of RMB235.3 million and (ii) a decrease in trade, bills and other payables of RMB97.8 million, partially offset by (iii) a decrease in financial assets at FVTPL of RMB196.5 million.

Inventories

Our inventories comprise (i) raw materials used for our projects and (ii) finished goods. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	102,165	110,523	42,747
Finished good	3,076	74,820	82,230
Total	105,241	185,343	124,977

Our inventories increased by 76.1% from RMB105.2 million as of December 31, 2023 to RMB185.3 million as of December 31, 2024, primarily due to increases in both the number of projects under construction and the volume of materials procured. Our inventories then decreased by 32.5% to RMB125.0 million as of December 31, 2025, mainly due to the delivery of certain CSP system products.

The below set forth an aging analysis of our inventory as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	87,199	182,446	113,588
1 year to 2 years	13,298	384	9,996
2 years to 3 years	4,744	1,750	214
Over 3 years	—	763	1,179
Total	105,241	185,343	124,977

The following tables sets forth the turnover days of our inventories for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days	50	36	41

Note: Inventory turnover days equal the average of the opening and closing balances of inventories divided by cost of sales for the relevant period and multiplied by the number of days of the same period.

Our inventory turnover days decreased from 50 days in 2023 to 36 days in 2024, as we scaled up the procurement of materials for the delivery of our projects. Our inventory turnover days then remained relatively stable at 41 days in 2025.

As of January 31, 2026, RMB4.1 million, or 3.3%, of our inventories as of December 31, 2025 had been settled consumed or sold. We assess impairment of inventories according to applicable IFRS accounting standards timely during the Track Record Period, and may make provision to write down our inventories to the net realizable value if the inventories become damaged, or their prices go down, and their net realizable value substantially decreases. As of December 31, 2023, 2024 and 2025, write-down of our inventories merely amounted to approximately RMB193,000, RMB357,000 and RMB432,000, respectively. Given we manage our inventory based on project requirements and project timetable, our Directors confirm that there is no recoverability issue for our inventories, and that sufficient provision has been made in view of the low subsequent utilization.

Trade, Bills and other Receivables

Our trade, bills and other receivables mainly comprise (i) trade receivables, (ii) bills receivables, (iii) advances to suppliers, (iv) deductible VAT and (v) deposits. The balance of our trade receivables mainly represented receivables from contracts with customers. We generally grant a credit period ranging from 0 to 60 days to our customers. The table below sets forth our trade, bills and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables from contracts with customers			
Third parties	256,384	198,318	395,987
Related parties	438	745	145,924
Less: allowance for credit losses	(26,474)	(23,185)	(50,126)
	230,348	175,878	491,785
Bills receivables	7,396	97,700	—
Advances to suppliers	231,645	245,640	31,343
Deductible VAT	10,767	12,458	20,743
Deferred issue costs	[REDACTED]	[REDACTED]	[REDACTED]
Deposits	1,720	1,551	437
Others	301	668	992
Less: allowance for credit losses	(149)	(135)	(43)
	244,284	260,182	55,883
Total trade, bills and other receivables	482,028	533,760	547,668

Our trade, bills and other receivables increased by 10.7% from RMB482.0 million as of December 31, 2023 to RMB533.8 million as of December 31, 2024, and further increased by 2.6% to RMB547.7 million as of December 31, 2025, primarily in line with our revenue and business growth.

The table below sets forth an aging analysis of our trade receivables, net of impairment loss allowance, presented based on the invoice date as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	226,000	172,748	484,412
1 year to 2 years	4,044	1,917	6,003
2 years to 3 years	—	909	382
Over 3 years	304	304	988
Total	230,348	175,878	491,785

The table below sets forth our trade receivables turnover days during the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Trade receivables turnover days	54	34	56

Note: Trade receivable turnover days equal the average of the opening and closing balances of trade receivables divided by revenue for the relevant period and multiplied by the number of days of the same period.

Our trade receivables turnover days amounted to 54 days, 34 days and 56 days in 2023, 2024 and 2025, respectively. Our trade receivable turnover days remained relatively stable as we maintained stable business relationship with our suppliers.

As of January 31, 2026, RMB54.0 million, or 9.0%, of our trade, bills and other receivables as of December 31, 2025 had been settled subsequently. We seek to maintain strict control over our outstanding trade receivables and have dedicated credit risk management staff to control and mitigate credit risk. Our senior management assess the recoverability of trade receivables on a regular basis, taking into account historical settlement records of customers. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up actions are taken to recover overdue debts. In addition, we perform impairment assessments under the ECL model on trade balances individually. See Note 37(b) to the Accountants' Report as set out in Appendix I for details. Additionally, our trade receivables aged over one year accounted for a decreasing proportion, representing 1.9%, 1.8% and 1.5% of total trade receivables as of December 31, 2023, 2024 and 2025, respectively, and allowance for credit losses of other receivables were merely RMB149,000, RMB135,000 and RMB43,000 as of December 31, 2023, 2024 and 2025, respectively. In view of the aforementioned, our Directors confirm that there is no recoverability issue for trade, bills and other receivables and whether sufficient provision has been made in view of low subsequent settlement.

Particularly, we seek to maintain strict control over our outstanding trade receivables and have dedicated credit risk management staff to control and mitigate credit risk. Our senior management assess the recoverability of trade receivables on a regular basis, taking into account historical settlement records of customers. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up actions are taken to recover overdue debts. In addition, we perform impairment assessments under the ECL model on trade balances individually. See Note 37(b) of the Accountants' Report in Appendix I to this document

Financial Assets at Fair Value Through Profit or Loss

Our financial assets at fair value through profit or loss consist of wealth management products issued by reputable banks and financial institutions. Our financial assets at fair value through profit or loss increased from RMB220.0 million as of December 31, 2023 to RMB560.1 million as of December 31, 2024. The increases were mainly driven by the increase in purchases of short-term, low-risk wealth management products with surplus cash after collecting payments from customers following our business expansion. Our financial assets at fair value through profit or loss then remained relatively stable at RMB565.5 million as of December 31, 2025.

We have adopted a comprehensive set of internal policies and guidelines to monitor and control risks associated with our investment in wealth management products. Our investment strategy aims to optimize the efficiency of idle funds, generate investment returns for our Shareholders, and minimize investment and financial risks. We make investment decisions related to wealth management products on a case-by-case basis after thoroughly considering a number of factors, including but not limited to macro-economic environment, general market conditions, credit of issuing banks, our own working capital conditions, and the expected profit or potential loss of the investment. We would only make use of our idle fund to invest in wealth management products which will not interfere with our normal operations and business prospects. We generally invest in wealth management products with low risk labels issued by qualified financial institutions. With the authorization of the Board, our finance department proposes, analyses and evaluates potential investment in wealth management products. Investment proposals are subject to approvals by our chief financial officer and/or his designated senior member of our management. Our management, particularly our chief financial officer and our financial staff, has extensive experience in managing the financial aspects of an enterprise's operations.

In the future, we may continue to invest in wealth management products that are in our Group's interest upon through evaluations and analysis, and we will ensure that all such investments comply with the applicable laws and regulations, including the relevant requirements under Chapter 14 of the Listing Rules after the [REDACTED].

Contract Assets

The following table sets forth a breakdown of our contract assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract assets arising from molten salt tower CSP plant solution contract	119,158	562,040	989,284
Retention receivables	50,744	49,640	—
Less: allowance for credit losses	(19,632)	(20,433)	(42,645)
Total contract assets	150,270	591,247	946,639
Less: amounts shown under current assets	(106,758)	(591,247)	(946,639)
Amounts shown under non-current assets	43,512	—	—

Contract assets consist of our rights to consideration for works completed and not billed because the rights are conditioned on our future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional. Retention receivables withheld by contract customers arising from our service settled within a period ranging from 1 year to 5 years after the completion of the service and acceptance by customers, as stipulated in the molten salt tower CSP plant solution contract. As of December 31, 2023, 2024 and 2025 we recorded current and non-current contract assets of RMB150.3 million, RMB591.2 million and RMB946.6 million, respectively. Such increase in contract assets during the Track Record Period was generally in line with the expansion of our business scale. There has been no material reversal of contract assets after the end of each year comprising the Track Record Period.

The following table sets forth the breakdown of our contract assets before allowance for credit losses by project as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract assets arising from molten salt tower CSP plant solution contract			
POWERCHINA Gonghe 50MW Molten Salt Tower CSP Plant	97,920	—	—
Jinta 100MW Project	21,238	111,367	122,065
CGN New Energy Jixilugu DC 490MW Hybrid Project (100MW CT CSP)	—	—	131,193
ENERGY CHINA ZTPC Xinjiang Turpan CSP + PV Integrated Project (100MW CT CSP)	—	85,436	49,853
SPIC Xinjiang Turpan Shanshan Qiketai 100MW CSP Project	—	189,257	40,811
CTGR Qinghai Qingyu DC 100MW CSP Project	—	175,980	176,011
Luneng Fukang Hybrid Project (new energy marketization and grid connection project) 100MW CSP Project	—	—	198,852
CEEC Hami Integrated Green Power Demonstration Project with Solar (Thermal) and Storage Multienergy Complementarity	—	—	95,073
CGNP Delingha CSP Plant	—	—	68,475
Sales of spare parts to Customer K	—	—	28
CHN Energy Qinghai Qingyu DC 100MW CSP Project	—	—	101,780
Qinghai Zhongkong 350MW Project	—	—	5,143
	119,158	562,040	989,284
Retention receivables			
POWERCHINA Gonghe 50MW Molten Salt Tower CSP Plant	49,640	49,640	—
Sales of photovoltaic solar tracker to Customer I	1,099	—	—
Sales of software to Customer B	—	—	—
SUPCON SOLAR Delingha 10MW Molten Salt Tower CSP Plant	—	—	—
Provision of technical services to Customer H	5	—	—
	50,744	49,640	—
Total	**169,902**	**611,680**	**989,284**

The following table sets forth an aging analysis of our contract assets before allowance for credit losses as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	21,243	545,867	650,818
1–2 years	1,099	16,173	327,068
2–3 years	—	—	11,398
Over 3 years	147,560	49,640	—
Total	**169,902**	**611,680**	**989,284**

As of January 31, 2026, no our contract assets as of December 31, 2025 had been transferred to trade receivables subsequently.

Trade, Bills and other Payables

Our trade, bills and other payables primarily include (i) trade payables to our suppliers, (ii) bills payables, (iii) payables for acquisition of property and equipment, (iv) other tax payables, (v) payroll and welfare payables and (vi) deposits. Our suppliers usually grant us a credit period within 180 days to settle our purchase of goods. Our trade and bills payables increased from RMB322.6 million as of December 31, 2023 to RMB627.0 million as of December 31, 2024, and further increased to RMB891.1 million as of December 31, 2025 as a result of increased purchase during the Track Record Period, generally in line with our business expansion. Our other payables also increased from RMB174.0 million as of December 31, 2023 to RMB217.1 million as of December 31, 2024. Our other payables then decreased to RMB189.3 million as of December 31, 2025, primarily due to lower outstanding balances of taxes payable at period-end.

The table below sets forth the breakdown of our trade and bills payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables			
Third parties	259,394	623,444	828,385
Related parties	3,805	3,597	12,098
	263,199	627,041	840,483
Bills payables	59,352	—	50,644
Other payables — current			
Payables for acquisition of property and equipment	52,145	38,290	46,535
Other taxes payables	60,190	110,066	47,972
Payroll and welfare payables	35,993	48,155	48,724
Deposits	22,037	17,190	26,512
Accrued issue costs	[REDACTED]	[REDACTED]	[REDACTED]
Accrued expense	[REDACTED]	[REDACTED]	[REDACTED]
Payable for road usage rights	—	—	9,357
Others	3,678	3,426	7,044
	174,043	217,127	189,317
Other payables — non-current			
Payable for road usage rights	—	—	6,239
	—	—	6,239
Total trade, bills and other payables	496,594	844,168	1,086,683

The table below sets forth an aging analysis of our trade payables as of the date indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
0 to 30 days	119,608	205,550	113,494
31 to 90 days	69,676	106,805	109,860
91 days to 180 days	12,874	94,616	174,649
Over 181 days	61,041	220,070	442,480
	263,199	627,041	840,483

We generally settle payments with our suppliers based on project milestones. Certain amounts payable to suppliers will be held within a certain period of time from completion of acceptance to the end of the warranty period, resulting in certain trade payables having an aging of over 181 days.

The following tables sets forth the turnover days of our trade payables for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Trade payable turnover days	104	109	196

Note: Trade payable turnover days equal the average of the opening and closing balances of trade payables divided by cost of sales for the relevant period and multiplied by the number of days of the same period.

Our trade payable turnover days amounted to 104 days, 109 days and 196 days in 2023, 2024 and 2025, respectively. The increase in trade payable turnover days in 2025 was primarily because the closing balance of trade payables for the period remained at a relatively high level as the relevant projects had not yet reached their respective payment milestones.

As of January 31, 2026, RMB129.0 million, or 11.9%, of our trade, bills and other payables as of December 31, 2025 had been settled subsequently.

Contract Liabilities

Our contract liabilities include advanced payments from our customers. The following table sets for the breakdown of our contracts liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Molten salt tower CSP plant solution	835,712	751,970	20,498
Other materials and services	2,535	13,768	30
	838,247	765,738	20,528

Our contract liabilities decreased by 8.6% from RMB838.2 million as of December 31, 2023 to RMB765.7 million as of December 31, 2024, primarily because our contract liabilities were partially recognized as revenue subsequently. Our contract liabilities further decreased by 97.3% from RMB765.7 million as of December 31, 2024 to RMB20.5 million as of December 31, 2025, primarily because contract liabilities were subsequently recognized as revenue upon the completion of performance obligations of many project contracts.

As of January 31, 2026, RMB0.09 million, or 0.4%, of our contract liabilities as of December 31, 2025 had been recognized as revenue subsequently.

Property and Equipment

Our property and equipment mainly consist of building, general equipment, specialized equipment, furniture and fixtures, transportation equipment, leasehold improvements and constructions in progress. Expenditures incurred for the construction of our self-developed project are recorded as construction in progress. Our property and equipment increased by 57.6% from RMB152.0 million as of December 31, 2023 to RMB239.5 million as of December 31, 2024, primarily due to continuous expansion of business and construction of our headquarters. Our property and equipment then decreased to RMB227.9 million, as a portion of the construction in progress was transferred to investment properties following the completion of our headquarters construction.

Right-of-Use Assets

Our right-of-use assets primarily consist of leased properties and leasehold lands. Our right-of-use assets increased by 18.6% from RMB22.1 million as of December 31, 2023 to RMB26.2 million as of December 31, 2024, mainly due to the addition of leased properties in Hangzhou. Our right-of-use assets decreased by 13.6% from RMB26.2 million as of December 31, 2024 to RMB22.6 million as of December 31, 2025, mainly because of normal depreciation charges.

INDEBTEDNESS

Indebtedness

Our indebtedness primarily consists of banking borrowings and lease liabilities.

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

	As of December 31,			As of January 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current	3,470	2,460	93,736	93,736
— Bank borrowing	—	—	92,000	92,000
— Lease liabilities	3,470	2,460	1,736	1,736
Non-current	17,460	84,381	619,640	619,640
— Bank borrowing	16,327	79,260	615,911	615,911
— Lease liabilities	1,133	5,121	3,729	3,729
Total	20,930	86,841	713,376	713,376

No Other Outstanding Indebtedness

Save as disclosed above, we did not have any other outstanding indebtedness or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or similar indebtedness liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other contingent liabilities or any covenant in connection therewith as of January 31, 2026, being our indebtedness statement date.

Our Directors confirm that, as of the date of this document, there was no material change in our Company's indebtedness since January 31, 2026.

As of December 31, 2023, 2024 and 2025 and January 31, 2026, there was no outstanding balance of bank loans or other borrowings except for bank borrowings mentioned above. During the Track Record Period and up to the Latest Practicable Date, we did not have any default in payment of bank loans and other borrowings, any material covenant on our outstanding debt or breach of such covenant. and we did not experience any difficulty in obtaining bank loans and other borrowings.

Bank Borrowings

During the Track Record Period, we used bank borrowings primarily to supplement our liquidity and to finance the construction of our headquarters. Our bank borrowings increased from RMB16.3 million as of December 31, 2023 to RMB79.3 million as of December 31, 2024, primarily due to new drawdowns of bank loans to fund the construction of our headquarters. Our bank borrowings further increased to RMB707.9 million as of December 31, 2025, primarily because we obtained national policy-backed bank loans in the amount of RMB500.0 million to finance a key project aligned with national strategic directives.

During the Track Record Period, our bank borrowings bore effective interest rates ranging from approximately 2.11% to 3.70%. Certain bank borrowings as of December 31, 2025 were unsecured, while our bank borrowings as of December 31, 2023 and 2024 were secured by certain of our property and equipment and leasehold land.

Our bank borrowing agreements contain terms, conditions and covenants that are customary for commercial bank loans. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing, nor did we experience any difficulty in obtaining bank borrowings, default in payment of bank borrowings, breach of any material covenants or trigger any cross-default provisions which would have a material negative impact on our business. Given our credit history and current credit status, our Directors believe that we will not encounter any difficulties in obtaining additional bank borrowings in the future.

As of January 31, 2026, we had unutilized banking facilities of approximately RMB4.5 billion, which were available for drawdown.

The following tables sets for the maturity profile of our bank borrowings as of the dates indicated:

	As of December 31,			As of January 31,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Within one year	—	—	92,000	92,000
More than one year but not exceeding two years	—	10,000	35,000	35,000
More than two years but not exceeding five years	16,327	55,000	530,000	530,000
Within a period of more than five years	—	14,260	50,911	50,911
	16,327	79,260	707,911	707,911

Lease Liabilities

Our lease liabilities primarily represent our obligations related to our leased properties and leasehold lands. Lease liabilities are measured at net present value of the lease payments during the lease terms that are not yet paid. Our lease liabilities increased by 65.2% from RMB4.6 million as of December 31, 2023 to RMB7.6 million as of December 31, 2024, primarily due to the addition of leased properties in Hangzhou. Our lease liabilities then decreased by 27.9% to RMB5.5 million as of December 31, 2025, primarily attributable to the expiry of our headquarter office leases.

The following table sets forth the breakdown of our lease liabilities as of the dates indicated:

	As of December 31,			As of January 31,
	2023	**2024**	**2025**	**2026**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Lease liabilities payable:				
Within one year	3,470	2,460	1,736	1,736
Within a period of more than one year but not exceeding two years	1,133	1,666	1,488	1,488
Within a period of more than two years but not exceeding five years	—	3,258	2,241	2,241
Within a period of more than five years	—	197	—	—
	4,603	7,581	5,465	5,465

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, we did not have any material contingent liabilities. As of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

CAPITAL EXPENDITURE

The following table sets forth our capital expenditures for the periods indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	**RMB'000**	**RMB'000**
Payments for acquisition of property and equipment	137,839	84,713	84,601
Payments for acquisition of intangible assets	224	1,218	1,239
Payments for acquisition of right-of-use assets	31,075	—	—
Total	169,138	85,931	85,840

During the Track Record Period, our capital expenditure was primarily for purchase of property and equipment, intangible assets and right-of-use assets. We expect to incur additional capital expenditures in 2026 for the same purposes. We intend to fund our future capital expenditures with a combination of our existing cash balance, net cash generated from operating activities, bank borrowings and [REDACTED] from the [REDACTED]. See the section headed "Future Plans and [REDACTED]" for more details. We may reallocate the fund to be utilized for capital expenditures and long-term investments based on our ongoing business needs.

CAPITAL COMMITMENTS

The following table sets forth a breakdown of our capital commitments for the periods indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contracted but not provided for:			
Property and equipment	51,055	4,509	279,885
Equity investment	10,104	24,279	2,040
	61,159	28,788	281,925

OFF-BALANCE SHEET ARRANGEMENTS

During the Track Record Period, we did not enter into any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions are set out in Note 42 to Appendix I — Accountants' Report. Our Directors confirm that these transactions were conducted in the ordinary course of our business, on an arm's length basis and with normal commercial terms between the relevant parties.

DIVIDENDS

No dividend was paid or proposed for shareholders of the Company during the years ended December 31, 2023. At the extraordinary general meeting held in December 2024, a dividend of RMB0.43 per share totaling RMB154.9 million was approved by the Shareholders and subsequently paid to the Shareholders. At the extraordinary general meeting held in September 2025, a dividend of RMB0.40 per share totaling RMB144.1 million was approved by the Shareholders and subsequently paid to the Shareholders using our internal resources. No other dividend was declared or paid by our Company or other entities comprising our Group during the Track Record Period.

Although currently we do not have a formal dividend policy, the decision on whether to pay dividends will be made at the discretion of our Directors in compliance with our Articles of Association and applicable laws and regulations and will depend upon, among others, the financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends, and other factors that our Directors may consider relevant. Subject to circumstances as stipulated in our Articles of Association, in principle, our annual cash dividend shall be no less than 10% of the distributable profits of the relevant year, further, we are required to pay cumulative cash dividends of any three fiscal years that account for not less than 30% of our average distributable profits for those three fiscal years or amount to no less than RMB30 million, except where the cumulative research and development expenditure over the last three fiscal years accounts for more than 15% of our cumulative revenue or exceeds RMB300 million. Under the dividend policy, cash dividend may be declared when the following conditions are met: (i) our distributable profit, which is net profit remained after making up for historically accumulated losses and allocating sufficient amount to our reserve fund, for the relevant fiscal year is positive; (ii) a unqualified opinion on our financial statements for the relevant fiscal year is issued by auditors; and (iii) no significant investment plans or major cash expenditure plans (excluding [REDACTED] from the [REDACTED]) are in place within the next twelve months.

According to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above. Our ability to declare and pay dividends will also depend on the availability of dividends received from group companies in the PRC and other jurisdictions. Distributions from our group companies may be restricted if they incur losses or in accordance with any restrictive covenants in bank borrowing or financing agreements that we or our subsidiaries may enter into in the future. Any proposed distribution of dividends is subject to the discretion of our Board and the approval of our shareholders.

[REDACTED] EXPENSES

We estimate that our [REDACTED] expenses will be approximately of HK$[REDACTED], representing [REDACTED]% of the gross [REDACTED] from the [REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range, and no exercise of the [REDACTED]), of which (i) approximately HK$[REDACTED], directly attributable to the [REDACTED], will be subsequently charged to equity upon the [REDACTED], and (ii) approximately HK$[REDACTED] is expected to be expensed in our consolidated statements of profit or loss. By nature, our [REDACTED] expenses are composed of (i) [REDACTED] of approximately HK$[REDACTED] and (ii) non-[REDACTED]-related expenses of approximately HK$[REDACTED], which consist of (a) fees and expenses of legal advisors and the Reporting Accountants of approximately HK$[REDACTED], and (b) other fees and expenses of approximately HK$[REDACTED]. In 2025, we incurred [REDACTED] expenses of approximately RMB[REDACTED] recognized in our consolidated statements of profit or loss and other comprehensive income. As of December 31, 2025, we had deferred issue costs of approximately RMB[REDACTED], accrued issue costs of approximately RMB[REDACTED] and accrued [REDACTED] expense of approximately RMB[REDACTED] recognized in our consolidated statements of financial position which will be deducted from equity upon [REDACTED]. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our consolidated retained profits amounted to RMB892.0 million, which were available for distribution to our Shareholders.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the periods indicated:

	As of/Year ended December 31,		
	2023	2024	2025
Return on equity (%)(1)	21.5	34.2	28.5
Current ratio (times)(2)	1.6	1.8	2.6
Gearing ratio (%)(3)	1.5	4.9	32.3

Notes:

(1) Return on equity is calculated based on (loss)/profit for the year divided by the average of the beginning and ending total equity and multiplied by 100%.

(2) Current ratio is calculated based on current assets divided by current liabilities as of the date indicated.

(3) Gearing ratio is calculated based on total debts divided by total equity as of the date indicated and multiplied by 100%. Total debts include our bank borrowings and lease liabilities. The increase in gearing ratio as of December 31, 2025 compared with that as of December 31, 2024 was primarily due to the increased bank borrowing balances as a result of new bank loans obtained.

PROPERTY INTERESTS AND PROPERTY VALUATION REPORT

Our selective property interests are set forth in the Property Valuation Report as set out in Appendix III. AVISTA Valuation Advisory Limited, an independent property valuer, has valued our selective property interests as of [December 31, 2025]. A reconciliation of the market value of our selective property interests as extracted from the Property Valuation Report as set out in Appendix III as of [December 31, 2025] and net book value of our selective property interests in our consolidated financial statements as of December 31, 2025 as required under Rule 5.07 of the Listing Rules is set forth below.

	RMB'000 (approx..)
Carrying amount of the investment property as of December 31, 2025 set out in Appendix I to this document	88,514
Add: Valuation Surplus	17,861
Valuation of the subject property as of [December 31, 2025] set out in Appendix III to this document	106,375

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT FINANCIAL RISKS

We are exposed to a variety of market risks such as interest rate risk, other price risk, credit risk, and liquidity risk. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. For further details, including relevant sensitivity analysis, see note 37 in the Accountants' Report set out in Appendix I of this document.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

For details of our unaudited [REDACTED] adjusted consolidated net tangible assets, please refer to the section headed "Unaudited [REDACTED] Financial Information" as set out in Appendix II.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this document there had been no material adverse change in our financial and trading position or prospects since December 31, 2025, and there is no event since December 31, 2025 which would materially affect the information shown in the Accountants' Report as set out in Appendix I.

DISCLOSURE REQUIRED UNDER LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.