The following is the text of a report set out on pages I-1 to I-[●], received from the Company's reporting accountants, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SUNGROW POWER SUPPLY CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Sungrow Power Supply Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[4] to I-[●], which comprises the consolidated statements of financial position of the Group as at December 31, 2023, 2024 and 2025, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025 and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended December 31, 2023, 2024 and 2025 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on page I-[4] to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [**REDACTED**] (the "**Document**") in connection with the initial [**REDACTED**] of H shares of the Company on the [**REDACTED**] of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Group's consolidated financial position as at December 31, 2023, 2024 and 2025, the Company's financial position as at December 31, 2023, 2024 and 2025, and of the consolidated financial performance and consolidated cash flows of the Group for the Track Record Period in accordance with the basis of presentation and preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[4] have been made.

Dividends

We refer to Note 12 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants

[●]
Practising Certificate Number: [●]
Hong Kong

[Date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board ("**IASB**") and were audited by Rongcheng (Hong Kong) CPA Limited in accordance with International Standards on Auditing issued by IAASB ("**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Year ended December 31,		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Revenue	5	72,159,253	77,704,134	88,913,772
Cost of sales	8	(53,790,366)	(55,203,014)	(61,882,384)
Gross profit		18,368,887	22,501,120	27,031,388
Other income	6	534,893	739,647	1,157,144
Other gains, net	7	293,250	441,777	680,424
Research and development expenses	8	(2,447,389)	(3,163,520)	(4,174,970)
General and administrative expenses	8	(1,306,343)	(1,747,419)	(2,362,708)
Selling expenses	8	(2,871,723)	(3,760,597)	(4,831,817)
Net impairment losses recognized on financial assets and contract assets		(789,690)	(1,086,170)	(942,481)
Finance costs	10	(318,937)	(391,866)	(346,954)
Share of results of associates, net		(2,985)	11,319	49,941
Profit before income tax		11,459,963	13,544,291	16,259,967
Income tax expense	11	(1,851,223)	(2,280,064)	(2,727,113)
Profit for the year		9,608,740	11,264,227	13,532,854
Profit for the year attributable to:				
Owners of the Company		9,439,562	11,036,279	13,461,280
Non-controlling interests		169,178	227,948	71,574
		9,608,740	11,264,227	13,532,854
Other comprehensive income/(loss) for the year, net of tax				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of foreign operations, net of tax		205,398	(70,804)	(37,726)
Cash flow hedges, net of tax		(282)	–	–
Other comprehensive income/(loss) for the year, net of tax		205,116	(70,804)	(37,726)
Total comprehensive income for the year		9,813,856	11,193,423	13,495,128
Total comprehensive income for the year attributable to:				
Owners of the Company		9,642,573	10,966,780	13,425,878
Non-controlling interests		171,283	226,643	69,250
		9,813,856	11,193,423	13,495,128
Earnings per share ("EPS") attributable to owners of the Company				
Basic (RMB per share)	13	4.55	5.32	6.55
Diluted (RMB per share)	13	4.55	5.32	6.53

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31,		
	Notes	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	*14*	8,174,969	11,342,778	13,780,404
Right-of-use assets	*15*	1,053,245	1,300,392	1,446,927
Intangible assets	*16*	76,708	169,738	209,792
Investment properties	*17*	–	88,337	56,905
Investments in associates	*18*	440,042	483,897	637,125
Goodwill	*21*	–	296,978	296,978
Financial assets at fair value through profit or loss	*22*	500,017	815,262	897,054
Financial assets at fair value through other comprehensive income	*23*	–	190,319	187,855
Trade and notes receivables	*24*	320,380	286,420	269,000
Contract assets	*25*	647,654	1,491,983	1,641,865
Prepayments, other receivables and other assets	*26*	308,314	507,579	634,021
Deferred tax assets	*27*	2,071,288	2,951,489	3,193,041
		13,592,617	19,925,172	23,250,967
Current assets				
Inventories	*28*	21,441,505	29,027,561	27,255,417
Trade and notes receivables	*24*	21,845,020	28,539,621	24,769,279
Contract assets	*25*	2,008,704	1,615,259	1,658,609
Prepayments, other receivables and other assets	*26*	3,036,155	4,700,476	5,829,847
Prepaid income tax		77,148	134,453	292,889
Financial assets at fair value through profit or loss	*22*	2,072,049	10,164,774	10,998,373
Financial assets at fair value through other comprehensive income	*23*	772,690	1,167,009	1,793,198
Restricted bank deposits	*29*	1,763,595	2,082,212	832,849
Cash and cash equivalents	*30*	16,267,022	17,717,234	21,997,964
		69,283,888	95,148,599	95,428,425

	Notes	As at December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Current liabilities				
Trade and notes payables	31	28,485,916	36,757,158	36,635,835
Contract liabilities	32	6,564,810	10,027,405	10,655,608
Other payables and accruals	33	4,565,918	5,851,189	5,987,760
Borrowings	34	4,053,924	6,079,284	2,865,654
Financial liabilities at fair value through profit or loss	35	–	–	190,782
Lease liabilities	15	81,182	59,664	62,077
Income tax payable		2,185,237	1,523,178	829,889
		45,936,987	60,297,878	57,227,605
Net current assets		23,346,901	34,850,721	38,200,820
Total assets less current liabilities		36,939,518	54,775,893	61,451,787
Non-current liabilities				
Other payables and accruals	33	168,762	758,127	708,245
Borrowings	34	4,371,527	7,720,582	3,891,903
Financial liabilities at fair value through profit or loss	35	39,610	450,450	40,665
Lease liabilities	15	323,825	314,935	373,415
Redemption liabilities	36	–	867,400	881,720
Provisions	37	2,568,690	4,383,322	5,700,815
Deferred tax liabilities	27	12,608	82,329	83,157
		7,485,022	14,577,145	11,679,920
Net assets		29,454,496	40,198,748	49,771,867
EQUITY				
Share capital and treasury shares	38	104,083	302,088	456,298
Reserves	40	27,601,135	36,602,976	46,154,580
Equity attributable to owners of the Company		27,705,218	36,905,064	46,610,878
Non-controlling interests		1,749,278	3,293,684	3,160,989
Total equity		29,454,496	40,198,748	49,771,867

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at December 31,		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	*14*	3,352,363	4,329,636	4,591,519
Right-of-use assets	*15*	288,580	277,001	313,213
Intangible assets	*16*	53,366	73,790	117,018
Investments in subsidiaries	*19*	6,767,761	6,815,720	7,119,381
Investments in associates	*18*	335,744	393,534	400,649
Financial assets at fair value through profit or loss	*22*	201,011	356,757	324,211
Trade and notes receivables	*24*	3,913,031	3,140,871	1,112,556
Contract assets	*25*	417,522	434,282	455,541
Prepayments, other receivables and other assets	*26*	221,101	252,134	292,506
Deferred tax assets	*27*	471,148	791,727	1,100,788
		16,021,627	16,865,452	15,827,382
Current assets				
Inventories	*28*	5,937,910	7,361,034	5,794,069
Trade and notes receivables	*24*	12,150,412	17,645,092	15,494,932
Contract assets	*25*	531,060	560,201	549,639
Prepayments, other receivables and other assets	*26*	1,950,498	4,141,971	4,303,210
Financial assets at fair value through profit or loss	*22*	1,792,635	9,542,629	10,327,225
Financial assets at fair value through other comprehensive income	*23*	623,246	539,663	586,709
Restricted bank deposits	*29*	565,409	555,388	361,842
Cash and cash equivalents	*30*	11,700,121	13,426,827	17,423,107
		35,251,291	53,772,805	54,840,733

	Notes	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Current liabilities				
Trade and notes payables	*31*	15,954,630	20,404,177	18,513,264
Contract liabilities	*32*	1,661,944	4,372,250	2,812,075
Other payables and accruals	*33*	4,066,099	8,063,396	7,793,613
Borrowings	*34*	159,111	1,184,462	368,559
Lease liabilities	*15*	18,047	5,682	10,350
Income tax payable		1,317,529	768,885	141,831
		23,177,360	34,798,852	29,639,692
Net current assets		12,073,931	18,973,953	25,201,041
Total assets less current liabilities		28,095,558	35,839,405	41,028,423
Non-current liabilities				
Other payables and accruals	*33*	140,457	177,681	154,848
Borrowings	*34*	811,360	–	–
Lease liabilities	*15*	2,605	5,927	10,431
Provisions	*37*	834,813	1,270,862	1,733,980
		1,789,235	1,454,470	1,899,259
Net assets		26,306,323	34,384,935	39,129,164
EQUITY				
Share capital and treasury shares	*38*	104,083	302,088	456,298
Reserves	*40*	26,202,240	34,082,847	38,672,866
Total equity		26,306,323	34,384,935	39,129,164

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company									
	Share capital	**Treasury shares reserve**	**Capital reserve**	**Other comprehensive income reserve**	**Special reserve**	**Statutory reserve**	**Retained earnings**	**Sub-total**	**Non-controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 38	*Note 38*	*Note (a)*	*Note (b)*	*Note (c)*	*Note (d)*				
As at January 1, 2023	1,485,191	(520,750)	7,052,879	(30,521)	–	1,066,217	9,614,277	18,667,293	1,070,930	19,738,223
Profit for the year	–	–	–	–	–	–	9,439,562	9,439,562	169,178	9,608,740
Other comprehensive income for the year	–	–	–	203,011	–	–	–	203,011	2,105	205,116
Total comprehensive income for the year	–	–	–	203,011	–	–	9,439,562	9,642,573	171,283	9,813,856
Dividends declared *(Note 12)*	–	–	–	–	–	–	(325,302)	(325,302)	(37,596)	(362,898)
Revocable dividends attributable to restricted shareholders	–	–	–	–	–	–	(13)	(13)	–	(13)
Cancelation of shares under restricted shares incentive schemes	(40)	206	(153)	–	–	–	–	13	–	13
Repurchase of shares *(Note 38)*	–	(980,071)	–	–	–	–	–	(980,071)	–	(980,071)
Share-based payment expenses, net of tax *(Note 39)*	–	–	189,837	–	–	–	–	189,837	13,445	203,282
Exercise of shares under restricted shares incentive schemes	–	119,547	(66,800)	–	–	–	–	52,747	–	52,747
Transaction with non-controlling interests *(Note 19)*	–	–	430,413	–	–	–	–	430,413	529,586	959,999
Provision of special reserve	–	–	–	–	39,006	–	–	39,006	1,630	40,636
Utilization of special reserve	–	–	–	–	(11,278)	–	–	(11,278)	–	(11,278)
As at December 31, 2023	1,485,151	(1,381,068)	7,606,176	172,490	27,728	1,066,217	18,728,524	27,705,218	1,749,278	29,454,496

	Attributable to owners of the Company									
	Share capital	**Treasury shares reserve**	**Capital reserve**	**Other comprehensive income reserve**	**Special reserve**	**Statutory reserve**	**Retained earnings**	**Sub-total**	**Non-controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 38	*Note 38*	*Note (a)*	*Note (b)*	*Note (c)*	*Note (d)*				
As at January 1, 2024	1,485,151	(1,381,068)	7,606,176	172,490	27,728	1,066,217	18,728,524	27,705,218	1,749,278	29,454,496
Profit for the year	–	–	–	–	–	–	11,036,279	11,036,279	227,948	11,264,227
Other comprehensive loss for the year	–	–	–	(69,499)	–	–	–	(69,499)	(1,305)	(70,804)
Total comprehensive (loss)/income for the year	–	–	–	(69,499)	–	–	11,036,279	10,966,780	226,643	11,193,423
Conversion of capital reserve into share capital	588,060	–	(588,060)	–	–	–	–	–	–	–
Dividends declared *(Note 12)*	–	–	–	–	–	–	(1,418,696)	(1,418,696)	–	(1,418,696)
Repurchase of shares *(Note 38)*	–	(517,786)	–	–	–	–	–	(517,786)	–	(517,786)
Share-based payment expenses, net of tax *(Note 39)*	–	–	439,278	–	–	–	–	439,278	22,298	461,576
Exercise of shares under restricted shares incentive schemes	–	127,731	(74,608)	–	–	–	–	53,123	–	53,123
Non-controlling interests on acquisition of subsidiary *(Note 43)*	–	–	–	–	–	–	–	–	1,348,493	1,348,493
Transaction with non-controlling interests *(Note 19)*	–	–	(370,025)	–	–	–	–	(370,025)	(56,322)	(426,347)
Provision of special reserve	–	–	–	–	56,134	–	–	56,134	3,294	59,428
Utilization of special reserve	–	–	–	–	(8,962)	–	–	(8,962)	–	(8,962)
As at December 31, 2024	2,073,211	(1,771,123)	7,012,761	102,991	74,900	1,066,217	28,346,107	36,905,064	3,293,684	40,198,748

	Attributable to owners of the Company									
	Share capital	**Treasury shares reserve**	**Capital reserve**	**Other comprehensive income reserve**	**Special reserve**	**Statutory reserve**	**Retained earnings**	**Sub-total**	**Non-controlling interests**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 38	*Note 38*	*Note (a)*	*Note (b)*	*Note (c)*	*Note (d)*				
As at January 1, 2025	2,073,211	(1,771,123)	7,012,761	102,991	74,900	1,066,217	28,346,107	36,905,064	3,293,684	40,198,748
Profit for the year	–	–	–	–	–	–	13,461,280	13,461,280	71,574	13,532,854
Other comprehensive loss for the year	–	–	–	(35,402)	–	–	–	(35,402)	(2,324)	(37,726)
Total comprehensive (loss)/income for the year	–	–	–	(35,402)	–	–	13,461,280	13,425,878	69,250	13,495,128
Dividends declared *(Note 12)*	–	–	–	–	–	–	(4,166,909)	(4,166,909)	(60,868)	(4,227,777)
Repurchase of shares *(Note 38)*	–	(299,975)	–	–	–	–	–	(299,975)	–	(299,975)
Share-based payment expenses, net of tax *(Note 39)*	–	–	563,594	–	–	–	–	563,594	22,690	586,284
Exercise of shares under restricted shares incentive schemes	–	454,185	(293,173)	–	–	–	–	161,012	–	161,012
Transaction with non-controlling interests *(Note 19)*	–	–	(18,680)	–	–	–	–	(18,680)	(164,759)	(183,439)
Provision of special reserve	–	–	–	–	58,386	–	–	58,386	992	59,378
Utilization of special reserve	–	–	–	–	(4,843)	–	–	(4,843)	–	(4,843)
Disposal of subsidiaries	–	-	–	–	(12,649)	–	–	(12,649)	–	(12,649)
As at December 31, 2025	2,073,211	(1,616,913)	7,264,502	67,589	115,794	1,066,217	37,640,478	46,610,878	3,160,989	49,771,867

Notes:

(a) Capital reserve mainly includes share premium and capital reserve recognized under restricted shares incentive schemes and transaction with non-controlling interests.

(b) Other comprehensive income reserve is the reserve due to the exchange differences on translation of financial statements of foreign operations and the cash flow hedges.

(c) Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety, the Group is required to set aside an amount for maintenance, production and other similar funds. The funds can be used for maintenance of production and improvements of safety and are not available for distribution to shareholders.

(d) In accordance with the Company Law of the People's Republic of China (the "**PRC**"), companies registered in the PRC are required to allocate 10% of their statutory after-tax profits to the statutory reserves until the cumulative total of the reserve reaches 50% of the companies' registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or to increase the registered capital of the companies. The statutory reserve is not available for dividend distribution to equity holders of the PRC companies.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Operating activities			
Profit before income tax	11,459,963	13,544,291	16,259,967
Adjustments for:			
Share of results of associates, net *(Note 18)*	2,985	(11,319)	(49,941)
Depreciation of property, plant and equipment *(Note 14)*	495,787	719,569	1,053,956
Depreciation of right-of-use assets *(Note 15(c))*	116,351	116,541	112,837
Amortization of intangible assets *(Note 16)*	18,036	21,414	30,117
Gains on disposal of financial assets at fair value through profit and loss *(Note 7)*	(106,358)	(138,968)	(219,885)
Fair value gains on financial assets at fair value through profit or loss *(Note 7)*	(36,192)	(64,319)	(73,927)
Fair value losses on financial liabilities at fair value through profit or loss *(Note 7)*	–	–	11,913
Net losses on disposal and write-off of property, plant and equipment right-of-use assets and intangible assets *(Note 7)*	13,266	4,521	9,980
Net impairment losses recognized on inventories	1,198,674	693,879	1,217,783
Finance costs *(Note 10)*	318,937	391,866	346,954
Net impairment losses on financial assets and contract assets	789,690	1,086,170	942,481
Impairment losses of property, plant and equipment *(Note 7)*	40,090	–	24,258
Investment income from financial assets at fair value through profit or loss *(Note 7)*	(14,673)	(224)	(12,210)
Losses/(gains) on disposal of investments in associates, net *(Note 7)*	298	(31)	5,381
Gains on disposal of subsidiaries, net *(Note 7)*	–	–	(140,500)
Losses/(gains) on forward exchange contracts *(Note 7)*	21,036	(269,481)	(254,671)
Share-based payment expenses *(Note 39)*	200,115	438,260	462,264
Net foreign exchange losses/(gains)	165,748	(47,006)	(10,789)
Depreciation of investment properties *(Note 17)*	–	–	4,848
(Increase)/decrease in trade and notes receivables	(12,331,402)	(7,471,845)	1,308,880
Increase in contract assets	(923,366)	(525,957)	(333,866)
Increase in prepayments, other receivables and other assets	(313,114)	(1,697,151)	(1,372,573)
Increase in inventories	(3,771,322)	(8,365,587)	(803,187)
Decrease in restricted bank deposits	880,301	48,022	174,695
Increase/(decrease) in trade and notes payables	4,098,397	10,414,757	(174,222)
Increase in other payables and accruals	1,483,615	1,751,565	150,930
Increase in provisions	1,556,634	1,812,664	1,317,493
Increase in contract liabilities	2,776,370	3,409,249	628,203
Cash generated from operations	8,139,866	15,860,880	20,617,169
Income tax paid	(1,158,028)	(3,792,553)	(3,699,390)
Net cash flows generated from operating activities	6,981,838	12,068,327	16,917,779

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investing activities			
Purchase of property, plant and equipment, intangible assets and right-of-use assets	(2,741,239)	(2,785,953)	(3,008,019)
Proceeds from disposal of property, plant and equipment, and right-of-use assets	3,135	862	21,712
Acquisition of subsidiaries, net of cash acquired	9,609	(154,978)	(45,056)
Proceeds from disposal of subsidiaries, net	–	–	112,427
Payment for investments in associates	(253,223)	(148,024)	(164,312)
Proceeds from investment income from financial assets at fair value through profit or loss	99,543	404,412	495,701
Proceeds from dividends from associates	68	–	7,545
Deposits paid for equity investments	(154,157)	–	–
Proceeds from disposal of assets with power plant projects	22,045	9,380	193,545
Payment for financial assets at fair value through other comprehensive income	–	(190,319)	–
Proceeds from sales of financial assets at fair value through profit or loss	23,423,890	69,598,450	79,156,811
Purchase of financial assets at fair value through profit or loss	(24,226,283)	(77,581,137)	(80,000,227)
Other cash flows arising from investing activities	(4,544)	(5,763)	(40,702)
Net cash flows used in investing activities	(3,821,156)	(10,853,070)	(3,270,575)
Financing activities			
Proceeds from bank borrowings	6,849,766	9,607,259	7,863,119
Repayment of bank borrowings	(3,560,564)	(8,710,750)	(10,576,525)
Proceeds from other borrowings	1,457,249	1,303,207	1,330,628
Repayment of other borrowings	–	(100,224)	(3,873,510)
Proceeds from redemption liabilities	–	847,000	–
Withdrawal of restricted bank deposits	653,234	1,432,621	3,220,108
Payment of restricted bank deposits	(1,432,621)	(1,799,260)	(2,145,440)
Payment of lease liabilities	(79,719)	(100,670)	(85,385)
Dividends paid to the shareholders of the Company and non-controlling interests	(362,911)	(1,418,696)	(4,227,777)
Transactions with non-controlling interests	959,999	(17,743)	(424,314)
[**REDACTED**] paid	–	–	**[REDACTED]**
Proceeds from issue of restricted shares	52,746	53,123	161,012
Repurchase of restricted shares	(193)	–	–
Payment on repurchase of shares	(980,071)	(517,786)	(299,975)
Interest paid for borrowings and redemption liabilities	(277,407)	(319,277)	(220,462)
Net cash flows generated from/(used in) financing activities	3,279,508	258,804	(9,294,153)
Net increase in cash and cash equivalents	6,440,190	1,474,061	4,353,051
Cash and cash equivalents at the beginning of the year *(Note 30)*	9,802,093	16,267,022	17,717,234
Effect of foreign exchange rate changes, net	24,739	(23,849)	(72,321)
Cash and cash equivalents at the end of the year *(Note 30)*	16,267,022	17,717,234	21,997,964

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was a limited liability company incorporated in the PRC in November 28, 1997 and changed to a joint stock limited company on September 16, 2010. The Company's A shares are listed on Shenzhen Stock Exchange on November 2, 2011. The address of the Company's registered office and its principal place of business is No. 1699 Xiyou Street, High-Tech Zone, Hefei, Anhui, China.

During the Track Record Period, the Company and its subsidiaries across five strategic areas: solar energy, wind energy, energy storage, electric vehicles and charging and hydrogen energy. The main products and services provided by Group include PV inverters and other power conversion devices, energy storage systems and new energy investment and development and etc.

As at December 31, 2025, the Company's single largest shareholders group, comprising Renxian Cao (曹仁賢) and Lei Su (蘇蕾), held approximately 30.63% of total share capital of the Company.

2. BASIS OF PRESENTATION AND PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards ("**IFRSs**"), International Accounting Standards and Interpretations approved by the IASB. In addition, the Historical Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the Historical Financial Information. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

The material accounting policy information that has been used in the preparation of this Historical Financial Information are disclosed in Note 3.2. These accounting policies have been consistently applied to all the periods presented in the Historical Financial Information, unless otherwise stated.

All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period. The adoption of the IFRS Accounting Standards do not have any significant impact on the financial positions or results of the Group during the Track Record Period.

3.1 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not early adopted the following new and amended IFRS Accounting Standards which have been issued but are not yet effective:

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

1 Effective for accounting periods beginning on or after January 1, 2026

2 Effective for accounting periods beginning on or after January 1, 2027

3 Effective dates not yet determined

Except for new IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all the new and amendments to IFRS Accounting Standards will have no material impact on the Historical Financial Information of the Group in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS 18, and amendments to other standards, will be effective for accounting periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 has no impact on the Group's financial positions and performance but has impact on presentation of the consolidated statements of comprehensive income.

3.2 MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, that it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Historical Financial Information from the date on which control commences until the date on which control ceases.

Non-controlling interests ("NCI")

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognized. A gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gain or losses) arising from intra-group transactions, are eliminated.

Investments in associates

An associate is an entity over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealized gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Foreign currency translation

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from these translations of monetary assets and liabilities at the end of the reporting period are recognized in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e., only translated using the exchange rates at the transaction date). When a fair value gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is also recognized in profit or loss. When a fair value gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is also recognized in other comprehensive income.

In the Historical Financial Information, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the end of the reporting period. Income and expenses have been converted into RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognized in other comprehensive income and accumulated separately in the other comprehensive income reserve in equity.

Property, plant and equipment

Property, plant and equipment (other than construction in progress as described below) are initially recognized at acquisition cost and/or manufacturing cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management, including costs of testing whether the related assets are functioning properly). They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets other than construction in progress and moulds less their residual values using the straight-line basis over their estimated useful lives as follow:

Buildings	10–45 years
Machinery	5–14 years
Transportation equipment	5–10 years
Power stations	10–20 years
Office and other equipment	3–10 years
Leasehold improvements	3–5 years

The land purchased by the Group overseas with permanent property rights is recognized as freehold land and is not depreciated.

Depreciation is recognized so as to write off the cost of moulds less their residual values using the units of production method over their estimated useful lives.

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at the end of each year for the Track Record Period.

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

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

Investment properties

Investment property is a property held to earn rentals and/or for capital appreciation.

Investment property is measured at cost, including any directly attributable expenditure. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties.

Subsequent to initial recognition, investment properties are stated at cost less any impairment losses and are amortized to their residual value on the straight-line basis over their estimated useful lives as follow:

Buildings	20–35 years
Land use rights	50 years

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognized.

Intangible assets

Acquired intangible assets are recognized initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortization commences when the intangible assets are available for use. The useful lives are as follows:

Software	2–10 years
Patent rights and non-patented technologies	10 years
Trademarks	10 years

The assets' amortization methods and useful lives are reviewed, and adjusted if appropriate, at the end of each year for the Track Record Period.

Intangible assets are tested for impairment as described in "Impairment of non-financial assets" below.

Research and development

Costs associated with research activities are expensed in profit or loss as they incur. Costs that are directly attributable to development activities are recognized as intangible assets provided they meet all of the following recognition requirements:

(i) demonstration of technical feasibility of the prospective product for internal use or sale;

(ii) there is intention to complete the intangible asset and use or sell it;

(iii) the Group's ability to use or sell the intangible asset is demonstrated;

(iv) the intangible asset will generate probable economic benefits through internal use or sale;

(v) sufficient technical, financial and other resources are available for completion; and

(vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development activities along with an appropriate portion of relevant overheads. The costs of development of internally generated software, products or know-how that meet the above recognition criteria are recognized as intangible assets. They are subject to the same subsequent measurement method as acquired intangible assets.

All other development costs are expensed as incurred.

Goodwill

Goodwill is initially recognized at cost being the excess of the aggregate of consideration transferred, the amount recognized for non-controlling interests and the fair value of the Group's previously held equity interest in the acquiree over the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the amount recognized for non-controlling interests and the fair value of the Group's previously held equity interest in the acquiree, the excess is recognized in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units ("**CGU**") that are expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, impairment loss is allocated to reduce the carrying amount of goodwill allocated to the unit first, and then to other assets of the unit on the pro-rata basis of the carrying amount to each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss and is not reversed in subsequent periods.

Financial instruments

Recognition and derecognition

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

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognized when the obligation under the liability is discharged or canceled or expired.

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables and contract assets that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 "Revenue from Contracts with Customers", all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss ("**FVTPL**"), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

– amortized cost;

– FVTPL; or

– Fair value through other comprehensive income ("**FVTOCI**").

The classification is determined by both:

– the Group's business model for managing the financial asset; and

– the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Debt instruments

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

– they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

– the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Interest income from these financial assets is included in other income in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's restricted bank deposits, cash and cash equivalents, trade and notes receivables, contract assets, other receivables fall into this category of financial instruments.

Financial assets at FVTOCI — recycling

If the contractual cash flows of the financial assets comprise solely payments of principal and interest and are held within a business model whose objective is achieved by both the collection of contractual cash flows and sale, subsequent changes in fair value are recognized in other comprehensive income, except for the recognition in profit or loss of expected credit loss ("**ECL**"), interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognized, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

Financial assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements under IFRS 9 apply.

Equity instruments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group elects to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognized in other comprehensive income and accumulated in "other comprehensive income reserve" in equity. Such elections are made on an instrument-by-instrument basis but only be made if the investment meets the definition of equity from the issuer's perspective.

The equity instruments at FVTOCI are not subject to impairment assessment. The cumulative gain or loss in "other comprehensive income reserve" will not be reclassified to profit or loss upon disposal of the equity investments and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in "other income" in profit or loss.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognize ECL – the "ECL model". Instruments within the scope included cash and bank deposits, trade receivables, notes receivables, contract assets, other receivables and other financial assets measured at amortized cost.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this general model approach, a distinction is made between:

– financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("**Stage 1**"); and

– financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("**Stage 2**").

"Stage 3" would cover financial assets that have objective evidence of impairment at the end of the reporting period.

"12-month ECL" are recognized for the Stage 1 category while "lifetime ECL" are recognized for the Stage 2 categories.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Cash and bank deposits

Cash and bank deposits are considered to have low credit risk because the counterparties are banks and have a low risk of default, and have a strong capacity to meet its contractual cash flow obligations in the near term. Cash and bank deposits are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

Trade receivables and notes receivables

For trade receivables and notes receivables, the Group applies a simplified approach in calculating ECL and recognizes a loss allowance based on lifetime ECL at the end of each year for the Track Record Period. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, except for trade and notes receivables with significant outstanding balances which are assessed individually, the remaining trade and notes receivables have been grouped based on shared credit risk characteristics.

For notes receivables measured at FVTOCI, the Group assumes that the credit risk on notes receivables measured at FVTOCI has not increased significantly since initial recognition if the notes receivables measured at FVTOCI is determined to have low credit risk at the end of each reporting period. Notes receivables measured at FVTOCI is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

Other receivables and other financial assets measured at amortized cost

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the end of each year for the Track Record Period with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

– significant deterioration in external market indicators of credit risk, e.g., a significant increase in the credit spread and the credit default swap prices for the debtor;

– existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and

– an actual or expected significant deterioration in the operating results of the debtor.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant in the credit risk since initial recognition of financial guarantee contracts. The Group considers the changes in the risk that the specified debtor will default on the contract.

Detailed analysis of the ECL assessment of trade receivables, other financial assets measured at amortized cost and notes receivables measured at FVTOCI are set out in Note 49.

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and notes payables, other payables and accruals, borrowings, redemption liabilities, lease liabilities and financial liabilities at FVTPL.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group classified or designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortized cost using the effective interest method except for derivatives which are not designated as hedging instruments in hedge relationships and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in finance costs or other income.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognized initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

Accounting policies of lease liabilities are set out in "Leases" below.

Accounting policies of redemption liabilities are set out in "Redemption liabilities" below.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward foreign exchange settlement and sale contract, to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment; or

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognized firm commitment; or

- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.

- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

Borrowings

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

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

Trade payables, other payables and accruals

Trade payables, other payables and accruals are recognized initially at their fair value and subsequently measured at amortized cost, using the effective interest method.

Contract assets and contract liabilities

Contract assets are recognized when the Group recognizes revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy and are reclassified to receivables when the right to the consideration has become unconditional.

Contract liabilities are recognized when the customer pays consideration before the Group recognizes the related revenue. Contract liabilities would also be recognized if the Group has an unconditional right to receive consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis. When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

Redemption liabilities

A contract that contains an obligation to repurchase the Group entities equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount, even if the Company's obligations to purchase is conditional on the counterparty exercising a right to redeem. The Company undertakes such redemption obligations as certain preferred rights are granted to the Investors in the Company's financing process, such redemption obligation is recognized as financial liability initially at the present value of the redemption amount and subsequently measured at amortized cost with interest charged in finance costs.

The Group derecognizes redemption liabilities when, and only when, the redemption obligations are discharged, canceled or expired.

Inventories

Inventories are carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the weighted average basis, and in the case of semi-finished goods and finished goods, comprise direct materials, direct labor and an appropriate proportion of overheads.

Cash and cash equivalents

Cash and cash equivalents include cash and cash in bank, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank balances used by the Group are subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in Note 29.

Leases

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration." To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the consolidated statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

The Group remeasures lease liabilities whenever:

- there are changes in lease term or in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these leases are recognized as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract (which includes both incremental costs and an allocation of other costs that relate directly to fulfilling that contract).

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognized at fair value, provided the fair value can be reliably measured. After the initial recognition at fair value, such contingent liabilities are recognized at the higher of the amount initially recognized, less accumulated amortization where appropriate, and the amount that would be recognized in a comparable provision as described above. Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed as per above.

Share capital

Share capital is classified as equity. Share capital is recognized at the amount of consideration of shares issued, after deducting any transaction costs associated with the issue of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

Revenue recognition

Revenue mainly arises from sales of PV inverters and other power conversion devices, energy storage systems, new energy investment and development and etc.

To determine whether to recognize revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when or as performance obligations are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognized at a point in time or over time, when the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue from sale of goods

Revenue from sale of goods such as PV inverters and other power conversion devices, energy storage systems, charging equipment and floating PV system between the Group and its customers generally only includes a performance obligation for the transfer of goods, which is recognized when the performance obligation has been satisfied at a point in time.

Revenue for domestic sale of goods is recognized when the Group has delivered the products to the customer as stipulated in the contract, and the customer has accepted the goods; it is probable that related economic benefits will flow to the Group; the significant risks and rewards of ownership of the goods have been transferred; and ownership of the goods has been transferred.

Revenue for overseas sale of goods is recognized when the Group has completed customs declaration procedures for the products as stipulated in the contract and obtained the customs declaration form; it is probable that related economic benefits will flow to the Group; the significant risks and rewards of ownership of the goods have been transferred; and ownership of the goods has been transferred.

Revenue from rendering of services

The service contract between the Group and its customers includes performance obligations related to the smart energy operation and maintenance services. As the customer simultaneously receives and consumes the economic benefits derived from the Group's performance during the fulfillment process, the Group regards this as a performance obligation satisfied over time.

Revenue from construction contract

The construction contract between the Group and its customers includes performance obligations related to the construction of power stations. As the customer controls the work-in-progress asset during the Group's performance, the Group regards this as a performance obligation satisfied over time. Revenue is recognized based on the progress towards complete satisfaction of the performance obligation, except when such progress cannot be reasonably measured. When the Group cannot be able to reasonably measure the progress of a performance obligation, the Group expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Group shall recognize revenue only to the extent of the costs incurred until such time that it can reasonably measure the progress of the performance obligation.

The Group determines the progress of performance using the input method. The progress is measured based on the proportion of actual contract costs incurred to date relative to the estimated total contract costs. At the end of each reporting period, the Group reassesses the progress of completion of the work or services provided to reflect any changes in the performance status.

Revenue from distributed residential power stations construction business

Revenue from the Group's construction business for distributed residential power stations is recognized at a point in time when the residential power stations are completed, satisfy grid-connection and power generation conditions, and the Group has obtained the settlement statement issued by its customers. Transaction consideration is determined based on the actual grid-connected capacity of the residential power station modules and the unit price stipulated in the relevant agreements.

Revenue from power generation activities at new energy power stations

Revenue derived from power generation at new energy power stations constructed and operated by the Group is recognized at the end of each accounting period based on the metered electricity volume, the electricity generation confirmation issued by the power company or the customer, and the electricity price stipulated in the relevant power purchase agreement.

Sale with a right of return

For sales with a right of return, when the customer obtains the control of a product, the Group shall recognize revenue for the transferred products in the amount of consideration to which the Group expects to be entitled and a refund liability at the amounts receivable for which the Group does not expect to be entitled; meanwhile, an asset shall be recognized as receivables on the cost of return measured at the carrying amount of the product expected to be returned less any expected costs to recover those products including potential decreases in the value to the entity of returned products, and the net amount of the carrying amount of the product when transferred to the customer less above mentioned cost shall be recorded into the cost of sales. At the end of each reporting period, the Group shall assess the expectations about the sales return and remeasure above mentioned assets and liabilities.

Warranty

In accordance with the contract, the law or other requirements, the Group provides a warranty in connection with the sale of a product. For warranties which provide a customer with assurance that the related product will function as the parties intended because it complies with agreed-upon specifications, the Group does not treat it as a performance obligation.

Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income and is released to the consolidated statements of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

Impairment of non-financial assets

The following assets are subject to impairment testing:

- Intangible assets;
- Property, plant and equipment;
- Investment properties;
- Goodwill;
- Right-of-use assets; and
- The Company's investments in subsidiaries and the Group's investments in associates.

Assets with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognized as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purpose of assessing impairment, where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level. Corporate assets are allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Impairment losses recognized for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Employee benefits

Short-term employee benefits

Salaries, discretionary bonuses, paid annual leave and the cost of non-monetary benefits are accrued and recognized in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Pension scheme

Retirement benefits to employees are provided through defined contribution plans. The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. Contributions are recognized as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plans. The Group contributes on a monthly basis to these plans based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these plans is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

Termination benefits

Termination benefits are recognized at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

Share-based compensation

The Group operates share-based compensation plans for remuneration of its employees including share incentive plans.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

All share-based compensation is recognized as an expense in profit or loss over the vesting period if vesting conditions apply, or recognized as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the "capital reserve" in equity. If vesting conditions apply, the expense is recognized over the vesting period based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognized in the current period.

Borrowing costs

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalized as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Accounting for income taxes

Income tax comprises current tax and deferred income tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred income tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred income tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the requirements in IAS 12 to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to the lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred income tax liability for all taxable temporary differences.

Deferred income tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realized, provided they are enacted or substantively enacted at the end of each year for the Track Record Period.

Changes in deferred tax assets or liabilities are recognized in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

– income or loss excluding reversals of temporary differences; and

– reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if:

(a) the Group has the legally enforceable right to set off the recognized amounts; and

(b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred income tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred income tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Historical Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of financial assets and contract assets

The loss allowances for financial assets and contract assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions, as well as forward-looking estimates at the end of each year for the Track Record Period. Details of the key assumptions and inputs used are disclosed in the tables in Note 49.

Inventory provision for impairment

The Group measures the inventory at the lower of cost and net realizable value, and makes inventory provision for the obsolete inventory, slow-moving inventory and the inventory of which the cost is higher than their net realizable value. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Even though the management of the Group has made the best estimate about the inventory impairment loss predicted to occur and provided allowance for impairment, the impairment assessment may still be significantly changed due to the change of market situation.

Fair value measurement of financial assets at level 3 fair value hierarchy

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the valuation techniques, inputs and key assumptions used in the determination of the fair value of financial assets at level 3 fair value hierarchy are disclosed in the tables in Note 48.

Income taxes and deferred income taxations

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgments are required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

The Group recognizes deferred tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred tax assets mainly involves management's judgments and estimations about the timing and the amount of taxable profits of the companies who has tax losses.

Provisions

Provision was made for estimated warranty claims in respect of products sold which were still under retention period. The amount of the provision for the warranties is estimated based on the best estimate of the expenditure required to fulfil the relevant current obligation. Any increase or decrease in the provision would affect profit or loss in current and future years.

Recognition of share-based payment expenses

Estimating the fair value of share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the significant input of expected life of the share incentive granted, expected volatility, and risk-free rate and making assumptions about them.

For the measurement of the fair value of share-based payment transactions with employees at the grant date, the Group uses a Black-Scholes option pricing model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 39.

5. REVENUE AND SEGMENT INFORMATION

The Group's principal activities are disclosed in Note 1 to the Historical Financial Information.

Disaggregated revenue information

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Types of products or service			
– PV inverters and other power conversion devices	27,653,074	29,127,039	31,136,228
– Energy storage systems	17,801,524	24,959,166	37,286,579
– New energy investment and development	24,733,981	21,003,004	16,559,406
– Others *(Note)*	1,970,674	2,614,925	3,931,559
	72,159,253	77,704,134	88,913,772
Timing of revenue recognition			
– Point in time	63,060,034	68,543,095	77,957,421
– Over time	9,099,219	9,161,039	10,956,351
	72,159,253	77,704,134	88,913,772

Note: Others mainly included power generation at new energy power stations, smart energy operation and maintenance services, floating PV system and charging equipment and etc.

The Group applies the practical expedient of not disclosing the transaction price allocated to performance obligations that were unsatisfied as the Group's contract has an original expected duration of less than one year.

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, as for the purpose of making decisions about resources allocation and performance assessment, the Group's management reviews the operating results of the Group as a whole by products and services and the Group has determined that it only has one operating segment during the Track Record Period. Accordingly, only entity-wide disclosure, along with the Group's result and financial position as a whole, major customers and geographic information are presented.

Geographical information

The following table sets out the information about the geographical location of the Group's revenue from external customers based on the geographical location of customers to which the goods are delivered or services are rendered.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from external customers			
– Mainland China	38,801,908	41,417,615	34,923,505
– Other countries/regions	33,357,345	36,286,519	53,990,267
	72,159,253	77,704,134	88,913,772

The geographical location of the Group's non-current assets (excluding deferred tax assets, financial assets, contract assets and investments in associates), mainly comprised of the property, plant and equipment and right-of-use assets, is based on the location of these assets. As at the end of each reporting period, the geographical location of the Group's non-current assets are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets (excluding deferred tax assets, financial assets, contract assets and investments in associates)			
– Mainland China	9,247,265	13,035,771	13,116,451
– Other countries/regions	365,971	670,031	3,308,576
	9,613,236	13,705,802	16,425,027

Information about major customers

Revenue derived from customers individually contributed over 10% of the Group's revenue during the Track Record Period is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer A	9,404,503	N/A*	N/A*
Customer B	7,641,727	N/A*	N/A*

* The corresponding revenue for the customer didn't contribute over 10% of the total revenue of the Group during the year.

6. OTHER INCOME

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest income	198,330	256,727	392,523
Others	336,563	482,920	764,621
	534,893	739,647	1,157,144

7. OTHER GAINS, NET

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net foreign exchange gains/(losses)	208,735	(11,751)	52,982
(Losses)/gains on forward exchange contracts	(21,036)	269,481	254,671
Gains on disposal of financial assets at FVTPL	106,358	138,968	219,885
Gains on disposal of subsidiaries, net	–	–	140,500
Fair value gains on financial assets at FVTPL	36,192	64,319	73,927
Fair value losses on financial liabilities at FVTPL	–	–	(11,913)
Investment income from financial assets at FVTPL	14,673	224	12,210
Impairment losses of property, plant and equipment	(40,090)	–	(24,258)
Net losses on disposal and write-off of property, plant and equipment, right-of-use assets and intangible assets	(13,266)	(4,521)	(9,980)
Donations	(5,878)	(20,780)	(19,488)
(Losses)/gains on disposal of investments in associates, net	(298)	31	(5,381)
Others	7,860	5,806	(2,731)
	293,250	441,777	680,424

8. EXPENSES BY NATURE

Expenses included in cost of sales, research and development expenses, general and administrative expenses and selling expenses are analyzed as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Changes in semi-finished goods and work in progress, contract fulfillment costs and finished goods	(4,942,593)	(8,573,631)	3,684,212
Raw materials consumed	44,148,452	47,472,322	40,246,603
Employee benefit expenses *(Note 9)*	4,535,674	6,288,319	9,009,916
Installation and service fees	7,649,291	8,958,330	7,474,609
Warranty costs	2,077,525	2,585,134	2,446,775
Logistics fees	1,008,970	1,224,240	1,728,334
Provision for impairment of inventories	1,198,674	693,879	1,217,783
Office and travel expenses	903,144	1,167,663	1,173,868
Depreciation of property, plant and equipment and investment properties *(Notes 14, 17)*	495,787	719,569	1,058,804
Consultancy and service fees	426,084	376,322	469,413
Business development expenses	266,731	324,992	323,251
Advertisement and business promotion expenses	164,025	247,015	291,130
Lease expenses *(Note 15 (c))*	184,247	344,264	393,377
Energy costs	90,777	107,813	130,046
Depreciation of right-of-use assets *(Note 15)*	116,351	116,541	112,837
Amortization of intangible assets *(Note 16)*	18,036	21,414	30,117
Auditor's remuneration	2,264	2,717	2,717
[**REDACTED**]	–	–	[REDACTED]
Others	2,072,382	1,797,647	3,456,933
	60,415,821	63,874,550	73,251,879

9. EMPLOYEE BENEFIT EXPENSES

(a) Employee benefit expenses are analyzed as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wages, salaries, bonuses and other benefits in kind	4,203,052	5,656,000	7,244,809
Retirement scheme contributions	131,551	185,337	279,788
Termination benefits	956	8,722	23,055
Share-based payment expenses *(Note 39)*	200,115	438,260	462,264
Incentive fund *(Note)*	–	–	1,000,000
	4,535,674	6,288,319	9,009,916

Note:

Pursuant to the Company's Measures for the Administration of Performance Incentive Bonuses, the Group recognized a RMB1,000,000,000 incentive fund for 2025 based on its net profit performance. The fund which is to be granted to the Group's core employees who contributed significantly to the 2025 results will be used by the participants to subscribe for the Company's employee stock ownership plan.

(b) Directors' and supervisors' emoluments

Directors' and supervisors' emoluments for the Track Record Period, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, are as follows:

	Fees	Salaries, allowances, discretionary bonuses, benefits in kind	Retirement scheme contributions	Share-based payment expenses	Incentive fund
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2023					
Executive directors					
Mr. Cao Renxian *(Note (a))*	–	3,510	29	–	–
Mr. Zhang Xucheng	–	4,060	29	7,124	–
Dr. Gu Yilei	–	14,400	68	2,878	–
Mr. Zheng Guibiao *(Note (b))*	–	417	11	–	–
Dr. Zhao Wei	–	3,730	29	–	–
Mr. Wu Jiamao *(Note (c))*	–	9,940	29	1,297	–
Independent non-executive directors					
Ms. Gu Guang	80	–	–	–	–
Dr. Li Mingfa	80	–	–	–	–
Mr. Li Baoshan *(Note (d))*	33	–	–	–	–
Mr. Zhang Lei *(Note (e))*	53	–	–	–	–
Supervisors					
Mr. Tao Gaozhou	–	1,074	29	–	–
Mr. He Wei	–	1,290	23	11	–
Ms. Li Xiaomei *(Note (f))*	–	137	6	–	–
Mr. Zhang Hui *(Note (g))*	–	588	12	–	–
	246	39,146	265	11,310	–

	Fees	Salaries, allowances, discretionary bonuses, benefits in kind	Retirement scheme contributions	Share-based payment expenses	Incentive fund
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2024					
Executive directors					
Mr. Cao Renxian	–	3,880	41	–	–
Dr. Gu Yilei	–	17,500	69	10,118	–
Mr. Zhang Xucheng	–	5,120	34	7,124	–
Dr. Zhao Wei	–	4,030	41	–	–
Mr. Wu Jiamao	–	12,940	41	6,336	–
Independent non-executive directors					
Ms. Gu Guang	80	–	–	–	–
Dr. Li Mingfa	80	–	–	–	–
Mr. Zhang Lei	80	–	–	–	–
Supervisors					
Mr. Tao Gaozhou	–	1,142	35	–	–
Mr. He Wei	–	1,450	36	21	–
Mr. Zhang Hui	–	828	17	–	–
	240	46,890	314	23,599	–
Year ended December 31, 2025					
Executive directors					
Mr. Cao Renxian	–	4,039	41	–	–
Dr. Gu Yilei	–	17,947	53	11,362	90,000
Mr. Zhang Xucheng	–	3,679	41	5,367	–
Dr. Zhao Wei	–	4,089	41	–	–
Mr. Wu Jiamao	–	13,527	53	7,358	60,000
Independent non-executive directors					
Ms. Gu Guang	80	–	–	–	–
Dr. Li Mingfa	80	–	–	–	–
Mr. Zhang Lei	80	–	–	–	–
Supervisors					
Mr. Tao Gaozhou *(Note (h))*	–	180	14	–	–
Mr. He Wei *(Note (h))*	–	280	22	15	–
Mr. Zhang Hui *(Note (h))*	–	179	7	–	–
	240	43,920	272	24,102	150,000

Notes:

(a) Mr. Cao Renxian is the President and the Chairman of the board of directors.

(b) Mr. Zheng Guibiao resigned as an executive director and senior vice president of the Company upon expiry of his term of office on May 19, 2023.

(c) Mr. Wu Jiamao was appointed as an executive director and senior vice president of the Company on May 19, 2023.

(d) Mr. Li Baoshan resigned as an independent non-executive director of the Company upon expiry of his term of office on May 19, 2023.

(e) Mr. Zhang Lei was appointed as an independent non-executive director of the Company on May 19, 2023.

(f) Ms. Li Xiaomei resigned as a supervisor of the Company upon expiry of her term of office on May 19, 2023.

(g) Mr. Zhang Hui was appointed as a supervisor of the Company on May 19, 2023, and left the office as the abolition of the board of supervisors on May 28, 2025.

(h) Shareholders of the Company passed a resolution at the general shareholder's meeting held on May 28, 2025 to abolish the supervisory committee of the Company effective immediately.

(i) Fees, salaries, allowances and benefits in kind paid to or for the executive directors, independent non-executive directors of the Company and supervisors are generally emoluments paid or receivable in respect of services in connection with the management of the affairs of the Company and its subsidiaries.

There was no arrangement under which directors and supervisors waived or agreed to waive any remuneration during the Track Record Period. No emolument was paid by the Group to the directors of the Company and supervisors as an inducement to join or upon joining the Group or as compensation for loss of office for the Track Record Period.

(c) Five highest paid individuals

During the years ended December 31, 2023, 2024 and 2025, the five highest paid individuals included 3, 3, and 2 directors, respectively, whose emoluments are reflected in Note 9(b) above. The aggregate emoluments payable to the remaining 2, 2, and 3 individuals during the years ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances, discretionary bonuses and benefits in kind	11,571	9,624	14,733
Retirement scheme contributions	32	54	177
Share-based payment expenses	1,714	7,998	4,519
Incentive fund	–	–	78,000
	13,317	17,676	97,429

The discretionary bonus is determined by reference to individual performance of the employees and approved by the management of the Group. The emoluments of the remaining highest paid individuals fell within the following bands:

	Year ended December 31,		
	2023	**2024**	**2025**
HK$7,000,001-HK$7,500,000	1	–	–
HK$7,500,001-HK$8,000,000	1	1	–
HK$11,000,001-HK$11,500,000	–	1	–
HK$33,500,001-HK$34,000,000	–	–	1
HK$34,000,001-HK$34,500,000	–	–	1
HK$40,000,001-HK$40,500,000	–	–	1
	2	2	3

10. FINANCE COSTS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest expense on bank borrowings	268,082	310,582	207,103
Interest expense on other borrowings	18,008	43,321	87,587
Interest expense on lease liabilities	32,847	17,563	26,854
Interest expense on redemption liabilities	–	20,400	25,410
	318,937	391,866	346,954

During the Track Record Period, finance costs on bank borrowings amounting to approximately Nil, RMB8,872,000 and RMB15,185,000 respectively, where the proceeds were specifically used for construction in progress, were capitalized.

11. INCOME TAX EXPENSE

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current income tax	2,895,096	3,076,571	2,847,665
Deferred income tax *(Note 27)*	(1,043,873)	(796,507)	(120,552)
Income tax expense	1,851,223	2,280,064	2,727,113

Taxes on profits assessable have been calculated at the rate of tax prevailing in the jurisdictions in which relevant entities operate.

(a) PRC Enterprise Income Tax ("EIT")

During the Track Record Period, pursuant to PRC Enterprise Income Tax Law and the respective regulations, the Company have obtained **High and New Technology Enterprises certification ("HNTE")** and EIT for the Company entitled to a preferential corporate income tax rate of 15%, and the applicable statutory tax rate of the PRC subsidiaries is 25% unless those subject to tax exemption set out below:

During the Track Record Period, certain subsidiaries of the Group have obtained HNTE and hence they are entitled to a preferential corporate income tax rate of 15% for a valid period of 3 years.

During the Track Record Period, one subsidiary of the Group enjoys the corporate income tax incentive policy in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin, with a preferential tax rate of 15%.

During the Track Record Period, one subsidiary of the Group was applicable to the tax concession of the Western Development in PRC, with a preferential tax rate of 15%.

Pursuant to the preferential corporate income tax policies for nationally key-supported public infrastructure projects under the PRC Enterprise Income Tax Law and its Implementation Regulations, income derived by resident enterprises ("**enterprises**") from investment and operation of public infrastructure projects that comply with the scope, conditions and standards specified in the Catalog of Corporate Income Tax Preferences for Public Infrastructure Projects (the "**Catalog**"), upon approval by relevant authorities, shall be exempt from corporate income tax for the first three years starting from the first tax year in which the project generates operating revenue, followed by a 50% reduction of the applicable tax rate for the fourth to sixth years.

Pursuant to Caishui [2022] No. 13 **"Announcement on Further Implementing the Income Tax Preferential Policies for Small Meagre-profit Enterprises" (關於進一步實施小微企業所得稅優惠政策的公告)**, certain subsidiaries were qualified for Small Meagre-profit Enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income exceeding RMB1,000,000 but less than RMB3,000,000 from January 1, 2022 to December 31, 2024.

Pursuant to Caishui [2023] No. 12 **"Announcement on the Income Tax Preferential Policies for Small Meagre-profit Enterprises and Self-employed Businesses" (關於小微企業和個體工商戶所得稅優惠政策的公告)**, certain subsidiaries were qualified for Small Meagre-profit Enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income not exceeding RMB3,000,000 from January 1, 2023 to December 31, 2027.

(b) Hong Kong Profits Tax

Hong Kong Profits Tax has been subject to at the rate of 16.5% on the estimated assessable profits for the years ended December 31, 2023, 2024 and 2025.

(c) Corporate income tax in other jurisdictions

Taxation for other overseas subsidiaries are charged at the appropriate current rates of taxation ruling in the relevant countries.

(d) Organization for Economic Cooperation and Development Pillar Two Model Rules

Amendments to IAS 12 "International Tax Reform — Pillar Two Model Rules" were issued on May 23, 2023 which are effective upon issuance and require retrospective application. The amendments provide a temporary exception from deferred tax accounting for the income tax arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the **Organization for Economic Cooperation and Development ("OECD")**.

The Group is within the scope of **Global Minimum Tax ("GMT")** under the OECD Pillar Two model rules ("**Pillar Two**"). Subject to tax legislation enacting Pillar Two Being passed in the jurisdictions where the Company and its subsidiaries operate, the Group is liable to pay a top-up tax for any deficiency between the minimum tax rate of 15% and the effective tax rate per respective jurisdiction. The Group applies the IAS 12 exception to recognition and disclosure information about deferred tax assets and liabilities relating to Pillar Two income taxes.

For those jurisdictions where the Pillar Two legislation was enacted but not effective at the reporting date, the Group has no related current tax exposure. However, certain subsidiaries of the Group are located in jurisdictions mainly including Thailand, where Pillar Two legislation was effective since January 1, 2025, and the Group's assessment indicates that there is no material related current tax exposure in these jurisdictions during the year ended December 31, 2025.

Reconciliation between the income tax expense and profit before income tax in the consolidated statements of comprehensive income is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before income tax	11,459,963	13,544,291	16,259,967
Tax at the preferential tax rate of 15%	1,718,994	2,031,644	2,438,995
Tax effect of			
– different tax rates of the subsidiaries	133,143	150,425	424,330
– non-taxable income	(27,735)	(92,043)	(171,934)
– non-deductible expenses	76,839	46,440	70,179
– deductible temporary differences and tax losses for which no deferred tax assets were recognized	326,382	499,050	454,755
– utilization of temporary differences and tax losses for which no deferred tax assets were recognized previously	(24,664)	(19,517)	(60,960)
– adjustments in respect of current tax of previous years	4,288	(7,938)	15,883
– additional deduction of research and development expenses and acquisition of equipment *(Note)*	(356,024)	(327,997)	(444,135)
Income tax expense	1,851,223	2,280,064	2,727,113

Note:

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, the Company and certain subsidiaries of the Group engaging in research and development activities are entitled to claim 200% of their research and development expenditures incurred as tax deductible expenses when determining their assessable profits during the Track Record Period.

12. DIVIDENDS

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interim dividends	–	–	1,950,182
Final dividends	325,315	1,418,696	2,216,727
	325,315	1,418,696	4,166,909

The final dividends approximately of RMB325,315,000 (RMB2.20 per 10 shares, tax inclusive), RMB1,418,696,000 (RMB9.65 per 10 shares, tax inclusive) and RMB2,216,727,000 (RMB10.80 per 10 shares, tax inclusive) in respect of the years ended 31 December 2022, 2023 and 2024 were approved by the Annual General Meetings of the Company.

The interim dividends of RMB9.50 per 10 shares (tax inclusive) totaling approximately RMB1,949,898,000 in respect of the six months ended June 30, 2025 were approved by the Extraordinary General Meeting of the Company on September 30, 2025. The variance between RMB1,950,182,000 and RMB1,949,898,000 is attributable to the exercise of shares under the restricted share incentive scheme, which resulted in an increase in the number of shares eligible for dividend distribution. The interim dividends had been paid in October 2025.

The final dividends of RMB6.90 per 10 shares (tax inclusive) totaling approximately RMB1,416,448,000 in respect of the year ended December 31, 2025 were approved by the board of directors of the Company on March 31, 2026. The Group had not recognized such dividends as a liability as at December 31, 2025.

13. EPS ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic EPS

Basic EPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period, excluding shares not considered outstanding for EPS calculation purposes.

The following table illustrates the earnings and shares information used in the calculation of basic EPS:

	Year ended December 31,		
	2023	2024	2025
Profit attributable to owners of the Company used in calculating basic EPS (*RMB'000*)	9,439,562	11,036,279	13,461,280
Weighted average number of ordinary shares in issue *(thousand shares) (Note)*	2,072,782	2,072,671	2,053,855
Basic EPS *(RMB per share)*	4.55	5.32	6.55

Note:

The weighted average number of ordinary shares in issue used to determine the basic EPS for the Track Record Period were determined by assuming that the capitalization of capital reserve occurred in May 2024 had been applied retrospectively, with effect from January 1, 2023.

(b) Diluted EPS

For the years ended December 31, 2023, 2024 and 2025 the share incentive schemes granted by the Company have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share schemes (collectively forming the denominator for computing the diluted EPS).

	Year ended December 31,		
	2023	2024	2025
Profit attributable to owners of the Company used in calculating basic EPS (*RMB'000*)	9,439,562	11,036,279	13,461,280
Weighted average number of ordinary shares in issue *(thousand shares)*	2,072,782	2,072,671	2,053,855
Adjustments for potential dilutive ordinary shares arising from share incentive schemes *(thousand shares)*	910	3,671	6,773
Weighted average number of ordinary shares used in calculating diluted EPS *(thousand shares)*	2,073,692	2,076,342	2,060,628
Diluted EPS *(RMB per share)*	4.55	5.32	6.53

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery	Transportation equipment	Power stations	Office and other equipment	Freehold lands	Construction in progress	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023									
Cost	1,203,026	1,123,152	53,599	3,432,867	210,673	–	1,188,671	69,365	7,281,353
Accumulated depreciation	(142,362)	(486,102)	(19,532)	(720,781)	(110,984)	–	–	(31,074)	(1,510,835)
Net carrying amount	1,060,664	637,050	34,067	2,712,086	99,689	–	1,188,671	38,291	5,770,518
Year ended December 31, 2023									
Opening net carrying amount	1,060,664	637,050	34,067	2,712,086	99,689	–	1,188,671	38,291	5,770,518
Additions	67,891	363,289	10,983	–	69,288	93,879	2,318,687	25,479	2,949,496
Disposals	–	(3,662)	(342)	(2,118)	(3,147)	–	(81)	–	(9,350)
Depreciation	(62,260)	(170,630)	(6,699)	(204,211)	(32,763)	–	–	(19,224)	(495,787)
Impairment *(Note (a))*	–	(148)	–	(39,942)	–	–	–	–	(40,090)
Transfers	804,312	246,586	70	732,807	31,263	–	(1,821,520)	6,482	–
Exchange realignment	–	83	46	–	53	–	–	–	182
Closing net carrying amount	1,870,607	1,072,568	38,125	3,198,622	164,383	93,879	1,685,757	51,028	8,174,969
As at December 31, 2023									
Cost	2,075,229	1,712,649	63,492	4,162,299	287,476	93,879	1,685,757	101,326	10,182,107
Accumulated depreciation	(204,622)	(639,933)	(25,367)	(923,735)	(123,093)	–	–	(50,298)	(1,967,048)
Accumulated impairment	–	(148)	–	(39,942)	–	–	–	–	(40,090)
Net carrying amount	1,870,607	1,072,568	38,125	3,198,622	164,383	93,879	1,685,757	51,028	8,174,969

	Buildings	Machinery	Transportation equipment	Power stations	Office and other equipment	Freehold lands	Construction in progress	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2024									
Opening net carrying amount	1,870,607	1,072,568	38,125	3,198,622	164,383	93,879	1,685,757	51,028	8,174,969
Additions	15,060	441,873	57,808	–	134,437	–	2,706,090	60,627	3,415,895
Disposals	(339)	(2,259)	(929)	(1,430)	(1,463)	–	(1,818)	–	(8,238)
Depreciation	(101,085)	(248,842)	(20,573)	(235,849)	(75,640)	–	–	(37,580)	(719,569)
Additions through acquisition of a subsidiary	410,367	54,297	9,715	–	2,370	–	1,481	–	478,230
Transfers	1,100,278	109,589	–	819,801	94,693	–	(2,126,526)	2,165	–
Exchange realignment	–	665	50	–	(1,445)	2,354	(133)	–	1,491
Closing net carrying amount	3,294,888	1,427,891	84,196	3,781,144	317,335	96,233	2,264,851	76,240	11,342,778
As at December 31, 2024									
Cost	3,661,468	2,338,182	139,970	4,980,102	523,400	96,233	2,264,851	164,118	14,168,324
Accumulated depreciation	(366,580)	(910,143)	(55,774)	(1,159,016)	(206,065)	–	–	(87,878)	(2,785,456)
Accumulated impairment	–	(148)	–	(39,942)	–	–	–	–	(40,090)
Net carrying amount	3,294,888	1,427,891	84,196	3,781,144	317,335	96,233	2,264,851	76,240	11,342,778
Year ended December 31, 2025									
Opening net carrying amount	3,294,888	1,427,891	84,196	3,781,144	317,335	96,233	2,264,851	76,240	11,342,778
Additions	107,197	599,212	25,607	–	124,606	–	2,035,045	42,533	2,934,200
Disposals	–	(21,618)	(15,888)	(908)	(2,491)	–	(98,425)	–	(139,330)
Reductions on disposal of subsidiaries	–	–	–	(551,232)	(17)	–	–	–	(551,249)
Depreciation	(188,788)	(428,590)	(21,304)	(272,974)	(104,274)	–	–	(38,026)	(1,053,956)
Impairment *(Note (a))*	–	–	–	(24,258)	–	–	–	–	(24,258)
Transfers	1,353,403	713,459	1,635	211,455	294,131	–	(2,599,953)	25,870	–
Transfers from investment properties	21,879	–	–	–	–	–	–	–	21,879
Transfer from inventories *(Note (d))*	–	–	–	–	–	–	1,239,832	–	1,239,832
Classify to intangible assets	–	–	–	–	–	–	(8,829)	–	(8,829)
Classify to inventories	–	–	–	–	–	–	(438)	–	(438)
Exchange realignment	3,585	(492)	(280)	–	1,825	4,481	10,656	–	19,775
Closing net carrying amount	4,592,164	2,289,862	73,966	3,143,227	631,115	100,714	2,842,739	106,617	13,780,404
As at December 31, 2025									
Cost	5,155,474	3,582,707	140,194	4,546,346	929,614	100,714	3,741,139	232,521	18,428,709
Accumulated depreciation	(563,310)	(1,292,697)	(66,228)	(1,338,919)	(298,499)	–	–	(125,904)	(3,685,557)
Accumulated impairment	–	(148)	–	(64,200)	–	–	(898,400)	–	(962,748)
Net carrying amount	4,592,164	2,289,862	73,966	3,143,227	631,115	100,714	2,842,739	106,617	13,780,404

Notes:

(a) As at December 31, 2023 and 2025, the performance of a small number of power stations fell below expectations due to policy adjustments or lower electricity tariffs. The Group concluded that impairment indicators existed and performed impairment tests on certain power stations with carrying amounts of approximately RMB136,926,000 and RMB120,899,000, respectively, with the assistance of an independent valuer, Zhongshui Zhiyuan Assets Appraisal Co., Ltd.

The recoverable amount of the power stations under impairment assessment (each of which is a separate cash generating unit ("CGU")) was determined based on a value-in-use calculation. These calculations employed cash flow projections derived from financial budgets approved by the management, taking into account power generation volume, electricity tariff, operating costs and the remaining useful lives of the respective power stations. The cash flows were discounted using discount rate ranges of 7.4%~8.0% and 8.7%~9.9% as at December 31, 2023 and 2025, respectively. The discount rates used are pre-tax and reflect specific risks relating to the relevant CGUs.

As at December 31, 2023 and 2025, the carrying amounts of the power stations were written down to their recoverable amounts of RMB96,984,000 and RMB96,641,000, which represented their year-end carrying values. Impairment losses of RMB39,942,000 and RMB24,258,000 were recognized in profit or loss for the years ended December 31, 2023 and 2025, respectively.

(b) As at December 31, 2023, 2024 and 2025, certain buildings of the Group located in the PRC, with carrying amounts of approximately RMB751,827,000, RMB155,744,000 and RMB691,699,000, respectively, were in the process of obtaining the ownership certificates. The Group is of the opinion that it is entitled to lawfully and validly occupy and use such buildings, and accordingly the aforesaid matter did not have any significant impact on the Group's consolidated statements of financial position as at the relevant dates. As at the date of this report, the Group's buildings with carrying amounts of approximately RMB241,413,000 that were in the process of obtaining ownership certificates as at December 31, 2025 have been issued with such certificates, while the processing of other ownership certificates is still ongoing.

(c) Certain property, plant and equipment are pledged as security for the Group's borrowings, details are disclosed in Note 41 to the Historical Financial Information.

(d) During the year ended December 31, 2025, following a change in the Group's intention, a power station previously classified as held for sale was reclassified as held for development and own use. Accordingly, the inventory with a carrying amount of approximately RMB1,239,832,000 was transferred to construction in progress during the year.

(e) Depreciation of the Group's property, plant and equipment has been recognized as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cost of sales	314,929	429,778	647,969
General and administrative expenses	74,758	115,632	167,129
Selling expenses	12,131	32,694	48,638
Research and development expenses	93,969	141,465	190,220
	495,787	719,569	1,053,956

The Company

	Buildings	Machinery	Transportation equipment	Office and other equipment	Construction in progress	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note (a)						
As at January 1, 2023							
Cost	1,018,901	748,615	20,452	104,543	585,905	32,628	2,511,044
Accumulated depreciation	(93,720)	(326,792)	(9,572)	(62,290)	–	(18,622)	(510,996)
Net carrying amount	925,181	421,823	10,880	42,253	585,905	14,006	2,000,048
Year ended December 31, 2023							
Opening net carrying amount	925,181	421,823	10,880	42,253	585,905	14,006	2,000,048
Additions	35,483	224,769	2,769	39,030	1,272,101	6,358	1,580,510
Disposals	–	(34,466)	(80)	(2,862)	(17,063)	–	(54,471)
Depreciation	(50,796)	(102,733)	(2,135)	(16,807)	–	(1,253)	(173,724)
Transfers	657,834	113,611	–	29,384	(800,829)	–	–
Closing net carrying amount	1,567,702	623,004	11,434	90,998	1,040,114	19,111	3,352,363
As at December 31, 2023							
Cost	1,712,218	1,020,164	22,582	159,773	1,040,114	38,986	3,993,837
Accumulated depreciation	(144,516)	(397,160)	(11,148)	(68,775)	–	(19,875)	(641,474)
Net carrying amount	1,567,702	623,004	11,434	90,998	1,040,114	19,111	3,352,363
Year ended December 31, 2024							
Opening net carrying amount	1,567,702	623,004	11,434	90,998	1,040,114	19,111	3,352,363
Additions	6,967	204,544	3,693	70,969	997,848	2,165	1,286,186
Disposals	–	(2,698)	(499)	(667)	(26,960)	–	(30,824)
Depreciation	(81,916)	(146,840)	(2,312)	(42,395)	–	(4,626)	(278,089)
Transfers	751,640	80,495	–	86,447	(918,582)	–	–
Closing net carrying amount	2,244,393	758,505	12,316	205,352	1,092,420	16,650	4,329,636
As at December 31, 2024							
Cost	2,470,825	1,285,647	22,757	310,657	1,092,420	41,151	5,223,457
Accumulated depreciation	(226,432)	(527,142)	(10,441)	(105,305)	–	(24,501)	(893,821)
Net carrying amount	2,244,393	758,505	12,316	205,352	1,092,420	16,650	4,329,636
Year ended December 31, 2025							
Opening net carrying amount	2,244,393	758,505	12,316	205,352	1,092,420	16,650	4,329,636
Additions	12,822	236,437	1,245	54,194	446,912	–	751,610
Disposals	–	(4,211)	(47)	(1,436)	(86,550)	–	(92,244)
Depreciation	(117,463)	(209,473)	(2,404)	(65,517)	–	(2,626)	(397,483)
Transfers	516,120	337,528	–	162,656	(1,019,803)	3,499	–
Closing net carrying amount	2,655,872	1,118,786	11,110	355,249	432,979	17,523	4,591,519
As at December 31, 2025							
Cost	2,999,767	1,821,976	23,433	521,540	432,979	44,650	5,844,345
Accumulated depreciation	(343,895)	(703,190)	(12,323)	(166,291)	–	(27,127)	(1,252,826)
Net carrying amount	2,655,872	1,118,786	11,110	355,249	432,979	17,523	4,591,519

Notes:

(a) As at December 31, 2023, 2024 and 2025, certain buildings of the Company located in the PRC, with carrying amounts of approximately RMB751,827,000, RMB155,744,000 and RMB244,431,000, respectively, were in the process of obtaining ownership certificates. The Company is of the opinion that is entitled to lawfully and validly occupy and use such buildings, and accordingly the aforesaid matter did not have any significant impact on the Company's statements of financial position as at the relevant dates. As of the date of this report, the processing of all such ownership certificates is still ongoing.

(b) There is no property, plant and equipment of the Company pledged at the end of each year for the Track Record Period.

15. LEASES

The Group as a lessee

(a) Right-of-use assets

The movements in the net carrying amount of right-of-use assets are analyzed as follows:

	Buildings	Office equipment	Land use rights	Leasehold land	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note (a)		*Note (b)*	*Note (c)*	
As at January 1, 2023	197,201	–	275,313	362,499	835,013
Additions	187,507	4,834	391,255	1,819	585,415
Depreciation	(98,337)	(470)	(10,861)	(6,683)	(116,351)
Lease modification and termination	(48,395)	–	–	(202,521)	(250,916)
Exchange realignment	130	(46)	–	–	84
As at December 31, 2023	238,106	4,318	655,707	155,114	1,053,245
As at January 1, 2024	238,106	4,318	655,707	155,114	1,053,245
Additions	66,123	2,827	138,331	9,496	216,777
Additions through acquisition of a subsidiary	–	–	194,017	–	194,017
Depreciation	(90,670)	(2,564)	(15,768)	(8,119)	(117,121)
Disposals	–	–	(19,917)	–	(19,917)
Lease modification and termination	(3,033)	(6)	–	(20,534)	(23,573)
Exchange realignment	(3,417)	87	294	–	(3,036)
As at December 31, 2024	207,109	4,662	952,664	135,957	1,300,392
As at January 1, 2025	207,109	4,662	952,664	135,957	1,300,392
Additions	195,009	30,189	153,725	–	378,923
Transfers from investment properties	–	–	4,705	–	4,705
Depreciation	(77,128)	(7,665)	(22,572)	(6,635)	(114,000)
Disposals	–	–	(63,809)	–	(63,809)
Lease modification and termination	(24,026)	(405)	–	(33,835)	(58,266)
Reductions on disposal of subsidiaries	–	–	(3,155)	–	(3,155)
Exchange realignment	1,834	303	–	–	2,137
As at December 31, 2025	302,798	27,084	1,021,558	95,487	1,446,927

Notes:

(a) The Group has obtained the right to use buildings and others used in its operations through tenancy agreements. The leases typically run for an initial period of 1.5 to 26 years.

(b) Land in respect of land use rights are all located in the PRC with a lease period of 50 years. Lump sum payments were made upfront to acquire these property interests from the relevant government authorities.

(c) The Group has obtained the right to use land through tenancy agreements. The leases typically run for an initial period of 2 to 30 years.

(d) Depreciation of the Group's right-of-use assets has been recognized as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of sales	57,042	46,745	38,883
General and administrative expenses	18,970	19,779	28,828
Selling expenses	27,065	35,042	29,604
Research and development expenses	13,274	14,975	15,522
Construction in progress	–	580	1,163
	116,351	117,121	114,000

(b) Lease liabilities

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total minimum lease payments	561,072	489,317	548,298
Future interest expense on lease liabilities	(156,065)	(114,718)	(112,806)
	405,007	374,599	435,492
Current	81,182	59,664	62,077
Non-current	323,825	314,935	373,415
	405,007	374,599	435,492

The maturity analysis of lease liabilities is disclosed in Note 49 to the Historical Financial Information.

(c) The amounts recognized in the consolidated statements of comprehensive income in relation to leases are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest expense	32,847	17,563	26,854
Depreciation of right-of-use assets	116,351	116,541	112,837
Expenses relating to short-term leases and leases of low-value assets	184,247	344,264	393,377
	333,445	478,368	533,068

The Company as a lessee

(a) Right-of-use assets

The movements in the net carrying amount of right-of-use assets are analyzed as follows:

	Buildings	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	47,727	157,821	205,548
Additions	13,423	115,306	128,729
Depreciation	(26,477)	(4,464)	(30,941)
Lease modification and termination	(14,756)	–	(14,756)
As at December 31, 2023	19,917	268,663	288,580
As at January 1, 2024	19,917	268,663	288,580
Additions	11,671	815	12,486
Depreciation	(17,804)	(5,919)	(23,723)
Lease modification and termination	(342)	–	(342)
As at December 31, 2024	13,442	263,559	277,001
As at January 1, 2025	13,442	263,559	277,001
Additions	30,775	33,498	64,273
Depreciation	(11,126)	(6,313)	(17,439)
Lease modification and termination	(10,622)	–	(10,622)
As at December 31, 2025	22,469	290,744	313,213

(b) Lease liabilities

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total minimum lease payments	21,288	12,097	21,607
Future interest expense on lease liabilities	(636)	(488)	(826)
	20,652	11,609	20,781
Current	18,047	5,682	10,350
Non-current	2,605	5,927	10,431
	20,652	11,609	20,781

(c) The amounts recognized in the Company's statements of comprehensive income in relation to leases are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest expense	1,981	674	720
Depreciation of right-of-use assets	30,941	23,723	17,439
Expenses relating to short-term leases and leases of low-value assets	33,721	43,988	28,207
	66,643	68,385	46,366

The Group and Company as a lessor

No significant properties were rent out by the Group and the Company during the Track Record Period.

16. INTANGIBLE ASSETS

The Group

	Software	Patent rights and non-patented technologies	Trademarks	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023				
Cost	123,410	–	–	123,410
Accumulated amortization	(58,349)	–	–	(58,349)
Net carrying amount	65,061	–	–	65,061
Year ended December 31, 2023				
Opening net carrying amount	65,061	–	–	65,061
Additions	32,107	–	–	32,107
Disposals	(2,425)	–	–	(2,425)
Amortization	(18,036)	–	–	(18,036)
Exchange realignment	1	–	–	1
Closing net carrying amount	76,708	–	–	76,708
As at December 31, 2023				
Cost	150,925	–	–	150,925
Accumulated amortization	(74,217)	–	–	(74,217)
Net carrying amount	76,708	–	–	76,708
Year ended December 31, 2024				
Opening net carrying amount	76,708	–	–	76,708
Additions	39,773	–	–	39,773
Additions through acquisition of a subsidiary	1,940	54,300	20,700	76,940
Disposals	(2,228)	–	–	(2,228)
Amortization	(21,414)	–	–	(21,414)
Exchange realignment	(41)	–	–	(41)
Closing net carrying amount	94,738	54,300	20,700	169,738
As at December 31, 2024				
Cost	195,919	62,162	31,195	289,276
Accumulated amortization	(101,181)	(7,862)	(10,495)	(119,538)
Closing net carrying amount	94,738	54,300	20,700	169,738
Year ended December 31, 2025				
Opening net carrying amount	94,738	54,300	20,700	169,738
Additions	63,684	–	–	63,684
Transfer from construction in progress	8,829	–	–	8,829
Disposals	(2,433)	–	–	(2,433)
Amortization	(19,504)	(7,871)	(2,742)	(30,117)
Exchange realignment	91	–	–	91
Closing net carrying amount	145,405	46,429	17,958	209,792
As at December 31, 2025				
Cost	260,539	61,590	31,195	353,324
Accumulated amortization	(115,134)	(15,161)	(13,237)	(143,532)
Net carrying amount	145,405	46,429	17,958	209,792

Notes:

(a) Amortization of the Group's intangible assets has been recognized as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of sales	1,797	4,162	4,365
General and administrative expenses	7,752	8,076	17,530
Selling expenses	2,711	3,791	2,295
Research and development expenses	5,776	5,385	5,927
	18,036	21,414	30,117

(b) There is no intangible assets of the Group pledged at the end of each year for the Track Record Period.

The Company

	Software and others
	RMB'000
As at January 1, 2023	
Cost	99,559
Accumulated amortization	(49,899)
Net carrying amount	49,660
Year ended December 31, 2023	
Opening net carrying amount	49,660
Additions	17,332
Disposals	(1,700)
Amortization	(11,926)
Closing net carrying amount	53,366
As at December 31, 2023	
Cost	110,891
Accumulated amortization	(57,525)
Net carrying amount	53,366
Year ended December 31, 2024	
Opening net carrying amount	53,366
Additions	33,770
Disposals	(65)
Amortization	(13,281)
Closing net carrying amount	73,790
As at December 31, 2024	
Cost	144,482
Accumulated Amortization	(70,692)
Closing net carrying amount	73,790

	Software and others
	RMB'000
Year ended December 31, 2025	
Opening net carrying amount	73,790
Additions	62,383
Disposals	(1,417)
Amortization	(17,738)
Closing net carrying amount	117,018
As at December 31, 2025	
Cost	199,992
Accumulated amortization	(82,974)
Net carrying amount	117,018

17. INVESTMENT PROPERTIES

	Buildings	Land use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023, December 31, 2023 and January 1, 2024			
Cost	–	–	–
Accumulated depreciation	–	–	–
Net carrying amount	–	–	–
Year ended December 31, 2024			
Opening net carrying amount	–	–	–
Additions through acquisition of a subsidiary *(Note 43)*	72,569	15,768	88,337
Closing net carrying amount	72,569	15,768	88,337
As at December 31, 2024			
Cost	93,943	16,878	110,821
Accumulated depreciation	(21,374)	(1,110)	(22,484)
Closing net carrying amount	72,569	15,768	88,337
Year ended December 31, 2025			
Opening net carrying amount	72,569	15,768	88,337
Transfer to property, plant and equipment	(21,879)	–	(21,879)
Transfer to right-of-use assets	–	(4,705)	(4,705)
Depreciation	(4,516)	(332)	(4,848)
Closing net carrying amount	46,174	10,731	56,905
As at December 31, 2025			
Cost	64,331	11,762	76,093
Accumulated depreciation	(18,157)	(1,031)	(19,188)
Net carrying amount	46,174	10,731	56,905

The fair value of the Group's investment properties as of December 31, 2024 and 2025 was approximately RMB92,919,000 and RMB60,482,000, respectively. The fair value was determined based on a valuation performed by Zhongshui Zhiyuan Assets Appraisal Co., Ltd., an independent valuer not connected with the Group, whose registered address is Room 618, 6th Floor, Jiaoda Zhixing Building, No. 3 Shangyuan Cun, Haidian District, Beijing, the People's Republic of China.

In estimating the fair value of the properties, the highest and best use is deemed to be their current use.

The fair value of the investment properties disclosed at the end of each reporting period is categorized under Level 3 fair value measurements. The valuation techniques used in determining the fair values of investment properties and unobservable inputs adopted in the valuation models are as follow:

For industrial office properties, the direct comparison approach is adopted, which involves analyzing recent market transactions of similar properties and comparing them with the properties being valued. Comparable properties with similar size, characteristics and locations are analyzed, with due consideration given to their respective strengths and weaknesses to arrive at a reasonable value comparison.

For productive and supporting buildings, income approach is adopted to determine the value of the subject property in its existing state as at the valuation date. Key inputs included: (i) contract rent and estimated rental values, (ii) projected rental growth rates, (iii) property-specific discount rates, and (iv) long-term vacancy rate assumptions. These inputs were utilized to derive the present value of expected future cash flows through income-based valuation techniques.

18. INVESTMENTS IN ASSOCIATES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unlisted investments	440,042	483,897	637,125
At the beginning of the year	228,278	440,042	483,897
Additions	253,223	148,024	164,312
Additions through acquisition of a subsidiary	–	11,561	–
Disposals	–	–	(16,417)
Share of results, net	(2,985)	11,319	49,941
Dividends	(1,256)	–	(7,545)
Unrealized profit	(27,967)	(127,049)	(37,063)
Others	(9,251)	–	–
At the end of the year	440,042	483,897	637,125

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unlisted investments	335,744	393,534	400,649
At the beginning of the year	211,231	335,744	393,534
Additions	140,000	58,810	–
Disposals	–	–	(15,074)
Share of results, net	(6,167)	(1,020)	22,189
Dividends	(69)	–	–
Others	(9,251)	–	–
At the end of the year	335,744	393,534	400,649

Notes:

(a) In the opinion of the Group, these investments in associates are immaterial to the Group, both individually and in aggregate.

(b) There were no material contingent liabilities relating to the Group's investments in associates.

19. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investments, at cost	6,767,761	6,815,720	7,119,381

As at December 31, 2023, 2024 and 2025 and the date of this report, the Company's principal subsidiaries are as follows:

			Effective interest held by the Company								
			As at December 31,						As at the date of this report		
			2023		2024		2025				
Name of entity	Place of incorporation/ operation	Registered share capital	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Principal activities
Sungrow Renewables Development Co., Ltd. ("**Sungrow Renewables**") (陽光新能源開發股份有限公司) *(Note (a))*	PRC	RMB1,566,311,788	82.94%	–	79.40%	–	79.40%	–	79.40%	–	New energy development
Sungrow Renewable Energy Investment Pte. Ltd.	Singapore	USD160,000,000	–	82.94%	–	79.40%	–	79.40%	–	79.40%	Sales of products
Hefei Taihe Intelligent Technology Group Co., Ltd. ("**Taihe Intelligent**") (合肥泰禾智能科技集團股份有限公司) *(Note (b))*	PRC	RMB183,375,358	–	N/A	–	11.24%	–	22.90%	–	22.96%	Manufacturing
Sungrow Power (Vietnam) Company Limited	Vietnam	VND496,500,000,000	–	82.94%	–	79.40%	–	79.40%	–	79.40%	New energy development
Sungrow Energy Storage Technology Co., Ltd. ("**Sungrow Energy Storage**") (陽光儲能技術有限公司)	PRC	RMB511,538,462	100.00%	–	100.00%	–	100.00%	–	100.00%	–	Manufacturing
Hefei Sungrow Electric Power Technology Co., Ltd. ("**Sungrow Electric Power**") (合肥陽光電動力科技有限公司) *(Note (c))*	PRC	RMB490,829,000	81.50%	–	81.50%	–	81.50%	–	81.50%	–	Manufacturing
Sungrow Hydrogen SCI.&TECH. Co., Ltd. ("**Sungrow Hydrogen SCI**") (陽光氫能科技有限公司) *(Note (d))*	PRC	RMB403,830,000	74.29%	–	74.29%	–	74.29%	–	74.29%	–	Manufacturing
Feidong Jinyang New Energy Power Generation Co., Ltd. (肥東金陽新能源發電有限公司)	PRC	RMB270,000,000	–	82.94%	–	79.40%	–	79.40%	–	79.40%	New energy development
Cao Nguyen1 WindPower Development Investment JointStock Company	Vietnam	VND484,350,000,000	–	82.94%	–	79.40%	–	79.40%	–	79.40%	New energy development
Sungrow FPV Sci. & Tech Co., Ltd. ("**Sungrow FPV Sci.**") (陽光水面光伏科技有限公司) *(Note (e))*	PRC	RMB122,521,000	82.03%	–	82.03%	–	82.03%	–	82.03%	–	Manufacturing
Sungrow Power (Singapore) Pte. Ltd.	Singapore	USD20,451,559	100.00%	–	100.00%	–	100.00%	–	100.00%	–	Investment platform
Sungrow Developers India Private Limited	India	INR151,000,000	–	100.00%	–	100.00%	–	100.00%	–	100.00%	Manufacturing
Sungrow Developers (Thailand) Co., Ltd.	Thailand	THB1,500,000,000	–	100.00%	–	100.00%	–	100.00%	–	100.00%	Manufacturing
Sungrow Benelux B.V.	Netherlands	EUR60,000	–	100.00%	–	100.00%	–	100.00%	–	100.00%	Sales of products
Sungrow Smart Maintenance Technology Co., Ltd. ("**Sungrow Smart Maintenance**") (陽光智維科技股份有限公司) *(Note (f))*	PRC	RMB98,815,000	81.47%	–	81.47%	–	81.47%	–	81.47%	–	Manufacturing
Sungrow Power (Hong Kong) Co., Limited	Hong Kong	HKD44,624,524	100.00%	–	100.00%	–	100.00%	–	100.00%	–	Sales of products

			Effective interest held by the Company								
			As at December 31,						As at the date of this report		
			2023		2024		2025				
Name of entity	Place of incorporation/ operation	Registered share capital	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Principal activities
Sungrow Iberica, S.A.U	Spain	EUR553,000	–	100.00%	–	100.00%	–	100.00%	–	100.00%	Sales of products
Sungrow USA Corporation	USA	USD100,000	–	100.00%	–	100.00%	–	100.00%	–	100.00%	Sales of products
Sungrow Power UK Limited	UK	GBP100,000	–	100.00%	–	100.00%	–	100.00%	–	100.00%	Sales of products
Sungrow (India) Private Limited	India	INR100,000	–	100.00%	–	100.00%	–	100.00%	–	100.00%	Sales of products
Sungrow Italy S.R.L.	Italy	EUR10,000	–	100.00%	–	100.00%	–	100.00%	–	100.00%	Sales of products
Bozhou Daoyang Power Technology Co., Ltd. (亳州市道陽電源科技有限公司)	PRC	RMB20,000,000	100.00%	–	100.00%	–	100.00%	–	100.00%	–	Manufacturing
Jiangsu Yuyi Yangxuan Energy Technology Co., Ltd. (江蘇宇頤陽軒能源科技有限公司)	PRC	RMB100,000,000	100.00%	–	100.00%	–	100.00%	–	100.00%	–	Manufacturing
Sungrow (zhuhaihengqin) CO., LTD (陽光電源(珠海橫琴)有限公司)	PRC	RMB10,000,000	N/A	–	100.00%	–	100.00%	–	100.00%	–	Sales of products
Hefei Sungrow Information Technology Co., Ltd. (合肥陽光信息科技有限公司)	PRC	RMB10,000,000	100.00%	–	100.00%	–	100.00%	–	100.00%	–	Software development and sales
Sungrow Deutschland GmbH	Germany	EUR25,000	100.00%	–	100.00%	–	100.00%	–	100.00%	–	Sales of products
Sungrow Australia Group Pty Ltd.	Australia	AUD100	100.00%	–	100.00%	–	100.00%	–	100.00%	–	Sales of products
Sungrow Power (Shanghai) Co., Ltd. (陽光電源(上海)有限公司)	PRC	RMB 14,000,000	100.00%	–	100.00%	–	100.00%	–	100.00%	–	Manufacturing
Sungrow Hellas Single Member Limited Liability Company	Greece	EUR 1,000,000	–	100.00%	–	100.00%	–	100.00%	–	100.00%	Sales of product

Notes:

(a) In 2023, the Group injected RMB1,000,000,000 in Sungrow Renewables, which led to the Group's interests in Sungrow Renewables increased from 82.00% to 82.94%. The Group recognized a decrease in capital reserve of approximately RMB105,875,000 and an increase in non-controlling interests of approximately RMB105,875,000.

(b) The Group's ownership and voting rights in Taihe Intelligent are 11.24% and 14.36% as at December 31, 2024, and 22.90% and 26.03% as at December 31, 2025, respectively. For details, please refer to Note 43.

In 2024, the Group acquired 1.00% equity interests in Taihe Intelligent from non-controlling interests at a consideration of approximately RMB34,522,000. The Group recognized a decrease in capital reserve of approximately RMB16,194,000 and a decrease in non-controlling interests of approximately RMB18,328,000.

In 2024, pursuant to the acquisition agreement, the Group agreed to acquire 10.13% equity interest of Taihe Intelligent. The Group recognized a decrease in capital reserve of approximately RMB338,911,000 and a decrease in non-controlling interests of approximately RMB69,693,000.

In 2025, the Group acquired an 11.66% equity interest in Taihe Intelligent from non-controlling shareholders for total consideration of approximately RMB436,045,000, of which 5.79% was acquired from Xu Dahong (許大紅) and 5.87% was acquired via the secondary market.

The Group recognized a decrease in capital reserve of approximately RMB18,920,000, a decrease in non-controlling interests of approximately RMB179,922,000 and a decrease in financial liabilities at FVTPL of approximately RMB237,203,000.

(c) In 2023, the Sungrow Electric Power implemented an Employee Stock Ownership Plan, which led to the Group's interests in Sungrow Electric Power decreased from 100.00% to 81.50%. The Group recognized an increase in capital reserve of approximately RMB9,166,000 and an increase in non-controlling interests of approximately RMB81,663,000.

(d) In 2023, the Sungrow Hydrogen SCI. implemented an Employee Stock Ownership Plan and introduced external investors, which led to the Group's interests in Sungrow Hydrogen SCI. decreased from 100.00% to 74.29%. The Group recognized an increase in capital reserve of approximately RMB530,415,000 and an increase in non-controlling interests of approximately RMB199,161,000.

(e) In 2023, the Sungrow FPV Sci. implemented an Employee Stock Ownership Plan, which led to the Group's interests in Sungrow FPV Sci. decreased from 100.00% to 82.03%. The Group recognized a decrease in capital reserve of approximately RMB5,428,000 and an increase in non-controlling interests of approximately RMB14,582,000.

(f) In 2023, the Sungrow Smart Maintenance implemented an Employee Stock Ownership Plan, which led to the Group's interests in Sungrow Smart Maintenance decreased from 100.00% to 81.47%. The Group recognized a decrease in capital reserve of approximately RMB1,007,000 and an increase in non-controlling interests of approximately RMB61,447,000.

(g) Except for the aforementioned transactions with non-controlling interests, the Group had other transactions with non-controlling interests and recognized an increase in capital reserve of approximately RMB3,142,000 and an increase in non-controlling interests of approximately RMB66,858,000 during the year ended December 31, 2023, a decrease in capital reserve of approximately RMB14,920,000 and an increase in non-controlling interests of approximately RMB31,699,000 during the year ended December 31, 2024, and an increase in capital reserve of approximately RMB240,000 and an increase in non-controlling interests of approximately RMB15,163,000 during the year ended December 31, 2025.

The statutory auditors of the above subsidiaries of the Company during the Track Record Period are as follows:

	Name of statutory auditors		
	Year ended December 31,		
Name of entity	2023	2024	2025
Sungrow Renewables *(Notes (a))*	RSM China CPA LLP	RSM China CPA LLP	N/A
Sungrow Renewable Energy Investment Pte. Ltd. *(Notes (a))*	FOZL Assurance PAC	FOZL Assurance PAC	N/A
Taihe Intelligent	RSM China CPA LLP	RSM China CPA LLP	RSM China CPA LLP
Sungrow Power (Vietnam) Company Limited *(Notes (a))*	RSM Vietnam Auditing & Consulting Company Ltd	RSM Vietnam Auditing & Consulting Company Ltd	N/A
Sungrow Energy Storage *(Notes (a))*	RSM China CPA LLP	RSM China CPA LLP	N/A
Sungrow Electric Power	RSM China CPA LLP	RSM China CPA LLP	RSM China CPA LLP
Sungrow Hydrogen SCI	RSM China CPA LLP	RSM China CPA LLP	RSM China CPA LLP
Hefei Sungrow Zhiyuan Technology Co., Ltd. *(Note (a))*	RSM China CPA LLP	RSM China CPA LLP	N/A
Cao Nguyen1 WindPower Development Investment JointStock Company *(Notes (a))*	RSM Vietnam Auditing & Consulting Company Ltd	RSM Vietnam Auditing & Consulting Company Ltd	N/A
Sungrow FPV Sci. *(Notes (a))*	RSM China CPA LLP	RSM China CPA LLP	N/A
Sungrow Power (Singapore) Pte. Ltd. *(Notes (a))*	FOZL Assurance PAC	FOZL Assurance PAC	N/A
Sungrow Developers India Private Limited *(Notes (b))*	DHRUV DUA & CO	N/A	N/A
Sungrow Developers (Thailand) Co., Ltd. *(Notes (a))*	KPMG Phoomchai Audit Ltd.	KPMG Phoomchai Audit Ltd.	N/A
Sungrow Benelux B.V. *(Notes (d))*	N/A	N/A	N/A
Sungrow Smart Maintenance	RSM China CPA LLP	RSM China CPA LLP	RSM China CPA LLP
Sungrow Power (Hong Kong) Co., Limited	Pricewaterhouse Coopers	KPMG	KPMG
Sungrow Iberica, S.A. *(Notes (a))*	PKF Audiec, S.A.P.	PKF Audiec, S.A.P.	N/A
Sungrow USA Corporation	RSM US LLP	RSM US LLP	RSM US LLP
Sungrow Power UK Limited *(Notes (a))*	Alliotts LLP	Alliotts LLP	N/A
Sungrow (India) Private Limited *(Notes (b))*	DHRUV DUA & CO	N/A	N/A
Sungrow Italy S.R.L. *(Notes (d))*	N/A	N/A	N/A
Bozhou Daoyang Power Technology Co., Ltd. *(Notes (d))*	N/A	N/A	N/A
Jiangsu Yuyi Yangxuan Energy Technology Co., Ltd. *(Notes (d))*	N/A	N/A	N/A
Sungrow (zhuhaihengqin) CO., LTD *(Notes (c))*	N/A	RSM China CPA LLP	Hefei Zhonghui CPA GP

	Name of statutory auditors		
	Year ended December 31,		
Name of entity	2023	2024	2025
Hefei Sungrow Information Technology Co., Ltd.	RSM China CPA LLP	RSM China CPA LLP	RSM China CPA LLP
Sungrow Deutschland GmbH *(Notes (a))*	RSM Ebner Stolz GmbH & Co.	RSM Ebner Stolz GmbH & Co.	N/A
Sungrow Australia Group Pty Ltd.	In.Corp Audit & Assurance Pty Ltd	BDO Audit Pty Ltd	BDO Audit Pty Ltd
Sungrow Power (Shanghai) Co., Ltd. *(Notes (a))*	RSM China CPA LLP	RSM China CPA LLP	N/A
Sungrow Hellas Single Member Limited Liability Company *(Notes (d))*	N/A	N/A	N/A

Notes:

(a) As at the date of this report, the audited financial statements of these subsidiaries for the year ended December 31, 2025 have not yet been issued.

(b) No audited financial statements were issued for these subsidiaries for the years ended December 31, 2024 and 2025.

(c) No audited financial statements were issued for this subsidiary for the year ended December 31, 2023 as it is newly incorporated.

(d) No audited financial statements were issued for these subsidiaries for the years ended December 31, 2023, 2024 and 2025.

(e) The English name of the subsidiaries with Chinese name represents the best effort by the management of the Group in translating their Chinese name as they do not have an official English name.

(f) The above table lists the subsidiaries of the Company which, in the opinion of the Group, principally affected the results or a listed company during the Track Record Period. To give details of other subsidiaries would, in the opinion of the Group, result in particulars of excessive length.

(g) Listed above subsidiaries have adopted December 31 as their financial year end date except Sungrow Developers India Private Limited and Sungrow (India) Private Limited which adopt March 31 as their financial year end date.

20. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

As at December 31, 2023, 2024 and 2025, the total non-controlling interests is approximately RMB1,749,278,000, RMB3,293,684,000 and RMB3,160,989,000 of which approximately RMB1,334,939,000, RMB2,895,924,000 and RMB2,791,395,000 is attributable to Sungrow Renewables.

Details of the Group's subsidiary that have material non-controlling interests are set out below:

Sungrow Renewables

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Percentage of equity interest held by non-controlling interests	17.06%	17.06%	17.06%

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year attributable to non-controlling interests	206,760	277,222	101,173
Dividends declared to non-controlling shareholders	37,596	–	60,868
Accumulated balances of non-controlling interests	1,334,939	2,895,924	2,791,395

The following tables illustrate the summarized financial information of the above subsidiary. The amounts disclosed are before any intra-group eliminations:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current assets	23,120,574	28,795,255	17,795,330
Non-current assets	5,017,476	7,944,902	8,703,581
Current liabilities	(16,702,249)	(16,868,457)	(10,867,398)
Non-current liabilities	(3,609,184)	(8,530,840)	(4,150,762)
Net assets	7,826,617	11,340,860	11,480,751

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue	26,560,196	23,310,197	19,784,921
Profit for the year	1,148,410	1,625,325	560,160
Other comprehensive income/(loss)	11,691	(2,950)	(22,816)
Total comprehensive income for the year	1,160,101	1,622,375	537,344
Net cash flows (used in)/generated from operating activities	(3,604,986)	(1,339,001)	5,223,484
Net cash flows used in investing activities	(1,181,414)	(653,960)	(283,417)
Net cash flows generated from/(used in) financing activities	5,098,600	2,419,726	(5,215,723)
Effect of foreign exchange rate changes, net	(37,110)	(4,220)	(11,679)
Net increase/(decrease) in cash and cash equivalents	275,090	422,545	(287,335)

21. GOODWILL

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year			
Cost	–	–	296,978
Net carrying amount	–	–	296,978
Additions *(Note 43)*	–	296,978	–
At the end of the year			
Cost	–	296,978	296,978
Net carrying amount	–	296,978	296,978

Impairment tests for goodwill

The carrying amount of goodwill allocated to the CGU of the Group is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Taihe Intelligent	–	296,978	296,978

Impairment reviews on goodwill have been conducted by the Group as at December 31, 2024 and 2025, in accordance with IAS 36 "Impairment of assets." For the purposes of impairment testing, the recoverable amount of the CGU is determined based on fair value less costs of disposal with calculations by using market approach with reference to valuation reports issued by an independent valuer.

Taihe Intelligent is an A-share listed company on the Shanghai Stock Exchange. The key assumptions used for fair value less costs of disposal calculations for the above CGU are as follows:

	As at December 31,	
	2024	2025
Reference market price *(Note (a))*	RMB19.55	RMB22.61
Control premium *(Note (b))*	24.04%	11.05%

Notes:

(a) The reference market price is based on the median of Taihe Intelligent's average share price over the 20, 60 and 120 trading days preceding the valuation reference date.

(b) The control premium is determined by referencing transaction cases involving changes in controlling interests of listed companies from public market information during the year ended December 31, 2024 and 2025.

As at December 31, 2024 and 2025, the estimated recoverable amount of the CGU relating to Taihe Intelligent exceeded its carrying amount by approximately RMB14,600,000 and RMB17,591,000 respectively. Accordingly, the Group concluded that the related goodwill was not impaired.

The Group performs a sensitivity analysis based on reasonably possible changes in the assumptions underlying the reference market price or control premium. Had the estimated key assumptions changed as set out below, the headroom would have been reduced to zero.

If the reference market price had been 3.23% and 3.84% lower than management's estimates as at December 31, 2024 and 2025 respectively, the Group would have recognized an impairment loss against the carrying amount of goodwill.

If the control premium had been 4.01% and 4.26% lower than management's estimates as at December 31, 2024 and 2025 respectively, the Group would have recognized an impairment loss against the carrying amount of goodwill.

22. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
– Unlisted equity investments	500,017	815,262	897,054
Current			
– Bank wealth management products (WMPs) and structured deposits *(Note)*	1,694,168	9,829,664	10,480,153
– Unlisted equity investments	377,350	335,110	377,565
– Listed equity investments	–	–	132,205
– Forward exchange contracts	531	–	8,450
	2,072,049	10,164,774	10,998,373

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
– Unlisted equity investments	201,011	356,757	324,211
Current			
– Bank WMPs and structured deposits *(Note)*	1,650,006	9,400,000	10,150,000
– Unlisted equity investments	142,629	142,629	142,030
– Listed equity investments	–	–	27,056
– Forward exchange contracts	–	–	8,139
	1,792,635	9,542,629	10,327,225

Note:

The bank WMPs and structured deposits are mainly managed by reputable banks in the PRC to invest principally in certain financial assets. They are classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest.

The bank WMPs and structured deposits are classified as current assets as the Group expects to realize these financial assets within twelve months after each reporting period.

23. FINANCIAL ASSETS AT FVTOCI

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
– Transferable large denomination certificates of deposits *(Note (a))*	–	190,319	187,855
Current			
– Transferable large denomination certificates of deposits *(Note (a))*	–	–	10,759
– Notes receivables measured at FVTOCI *(Note (b))*	772,690	1,167,009	1,782,439
	772,690	1,167,009	1,793,198

Notes:

(a) Transferable large denomination certificates of deposit where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

(b) The balance represents notes receivables held by the Group which are issued or guaranteed by reputable PRC banks with high credit ratings. The notes receivables had a maturity of within six months at the end of each year for the Track Record Period. The notes receivables are measured at FVTOCI since the notes are held within the business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding. The Group believes that the notes receivables do not expose to significant credit risk and will not cause significant losses due to the bank default. The changes in the fair value of the notes receivables are minimal due to its short-term nature.

Financial assets that are derecognized in their entirety

As part of its ordinary business activities, the Group discounted and endorsed certain notes receivables accepted by banks or commercial entities (the "Discounted and Endorsed Notes") with carrying amounts of approximately RMB1,491,869,000, RMB7,047,527,000 and RMB4,026,657,000 to certain banks and certain of its suppliers as at December 31, 2023, 2024 and 2025, respectively. The Discounted and Endorsed Notes had maturities of one to six months at the end of each year for the Track Record Period. In accordance with the Negotiable Instruments Law of the People's Republic of China, holders of the Discounted and Endorsed Notes may exercise recourse rights against any, several or all of the persons liable in respect of such notes, including the Group, in disregard of the order of precedence (the "Continuing Involvement"). In the opinion of the Group, the risk of the Group being subject to claims by the holders of the Discounted and Endorsed Notes is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Discounted and Endorsed Notes. Accordingly, it has derecognized the full carrying amounts of such notes and the related trade payables. The maximum exposure to loss arising from the Group's Continuing Involvement in the Discounted and Endorsed Notes and the undiscounted cash flows for repurchasing such notes equals to their carrying amounts. In the opinion of the Group, the fair value of the Group's continuing involvement in the Discounted and Endorsed Notes is not significant.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
– Notes receivables measured at FVTOCI *(Note)*	623,246	539,663	586,709

Note:

Financial assets that are derecognized in their entirety

The Company discounted and endorsed certain notes receivables accepted by banks or commercial entities (the "Discounted and Endorsed Notes") with carrying amounts of approximately RMB1,608,514,000, RMB2,415,847,000, and RMB2,000,309,000 to certain banks and certain of its suppliers as at December 31, 2023, 2024 and 2025, respectively. The Discounted and Endorsed Notes had maturities of one to six months at the end of each year for the Track Record Period. In the opinion of the Company, the risk of the Company being subject to claim by the holders of the Discounted and Endorsed Notes is remote in the absence of a default of the accepted banks. The Company has transferred substantially all risks and rewards relating to the Discounted and Endorsed Notes. Accordingly, it has derecognized the full carrying amounts of such notes and the related trade payables. The maximum exposure to loss arising from the Company's Continuing Involvement in the Discounted and Endorsed Notes and the undiscounted cash flows for repurchasing such notes equals their carrying amounts. In the opinion of the Company, the fair value of the Company's continuing involvement in the Discounted and Endorsed Notes is not significant.

24. TRADE AND NOTES RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Long-term trade receivables	320,380	286,420	269,000
Current			
Trade receivables	23,099,047	30,523,397	26,910,603
Notes receivables	698,135	851,025	1,240,517
Current portion of long-term trade receivables	56,620	56,580	38,000
	23,853,802	31,431,002	28,189,120
Less: allowance for impairment	(2,008,782)	(2,891,381)	(3,419,841)
	21,845,020	28,539,621	24,769,279

Transfers of financial assets

Financial assets that are not derecognized in their entirety

Notes receivable endorsed or discounted

As part of its ordinary business activities, the Group discounted and endorsed certain notes receivables accepted by banks or commercial entities (the "Discounted and Endorsed Notes") with carrying amounts of approximately RMB546,998,000, RMB592,738,000 and RMB991,907,000 to certain banks and certain of its suppliers as at December 31, 2023, 2024 and 2025. In the opinion of the directors of the Company, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted and Endorsed Notes, and accordingly, it continued to recognize the full carrying amounts of the Discounted and Endorsed Notes and recognized the associated borrowings or other payables. Subsequent to the discounting and endorsing, the Group did not retain any rights on the use of the Discounted and Endorsed Notes, including the sale, transfer or pledge of the Discounted Notes to any other third parties.

Factoring trade receivables

As part of its ordinary business activities, the Group entered into a trade receivable factoring arrangement (the "Arrangement") and transferred certain trade receivables to a bank. Under the Arrangement, the Group has retained substantially all the risks and rewards of the transferred trade receivables. Accordingly, the Group continued to recognize the full carrying amounts of such trade receivables. The original carrying amounts of the transferred trade receivables under the Arrangement that remained outstanding as at December 31, 2023, 2024 and 2025 were approximately Nil, RMB193,390,000 and RMB9,359,000 respectively.

Certain trade and notes receivables are pledged as security for the Group's borrowings, details are disclosed in Note 41 to the Historical Financial Information.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Long-term trade receivables			
– Due from subsidiaries	3,592,651	2,854,451	843,556
– Due from other parties	320,380	286,420	269,000
	3,913,031	3,140,871	1,112,556
Current			
Trade receivables			
– Due from subsidiaries	4,040,083	5,886,933	6,462,048
– Due from other parties	8,698,442	12,752,683	10,000,770
Notes receivables	621,709	741,157	1,031,973
Current portion of long-term trade receivables	56,620	56,580	38,000
	13,416,854	19,437,353	17,532,791
Less: allowance for impairment	(1,266,442)	(1,792,261)	(2,037,859)
	12,150,412	17,645,092	15,494,932

Transfers of financial assets

Financial assets that are not derecognized in their entirety

Notes receivable endorsed or discounted

As part of its ordinary business activities, the Company discounted and endorsed certain notes receivables accepted by banks or commercial entities (the "Discounted and Endorsed Notes") with carrying amounts of approximately RMB528,183,000, RMB543,198,000 and RMB874,633,000 to certain banks and certain of its suppliers as at December 31, 2023, 2024 and 2025. In the opinion of directors of the Company, the Company has retained the substantial risks and rewards, which include default risks relating to such Discounted and Endorsed Notes, and accordingly, it continued to recognize the full carrying amounts of the Discounted and Endorsed Notes and recognized the associated borrowings or other payables. Subsequent to the discounting and endorsing, the Company did not retain any rights on the use of the Discounted and Endorsed Notes, including the sale, transfer or pledge of the Discounted Notes to any other third parties.

The credit period granted to customers is generally within 180 days during the Track Record Period. The aging analysis of trade receivables and long-term trade receivables based on recognition date is as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	19,914,954	25,476,280	19,619,148
Over 1 year but within 2 years	1,929,910	3,033,702	4,488,582
Over 2 years but within 3 years	506,206	897,095	1,326,452
Over 3 years	1,124,977	1,459,320	1,783,421
	23,476,047	30,866,397	27,217,603

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	14,076,695	15,611,215	12,320,340
Over 1 year but within 2 years	1,340,359	4,522,290	2,646,436
Over 2 years but within 3 years	185,577	631,098	1,335,789
Over 3 years	1,105,545	1,072,464	1,310,809
	16,708,176	21,837,067	17,613,374

Movements in impairment of trade and notes receivables are as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	1,370,920	2,008,782	2,891,381
Loss of impairment recognized, net *(Note)*	639,415	837,422	645,988
Written off	(8,817)	(20,689)	(95,946)
Addition through acquisition of a subsidiary	129	56,703	–
Exchange realignment	9,103	198	(1,072)
Others	(1,968)	8,965	(20,510)
At the end of the year	2,008,782	2,891,381	3,419,841

Note:

Detail information about the impairment of trade receivables and the Group's exposure to credit risk is described in Note 49.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	1,200,121	1,266,442	1,792,261
Loss of impairment recognize, net *(Note)*	74,991	545,185	319,506
Written off	(8,670)	(19,366)	(73,908)
At the end of the year	1,266,442	1,792,261	2,037,859

25. CONTRACT ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Retention receivables under retention period *(Note (a))*	2,131,321	2,433,940	2,742,778
Work-in-progress assets unbilled *(Note (b))*	684,421	917,455	942,479
	2,815,742	3,351,395	3,685,257
Less: allowance for impairment	(159,384)	(244,153)	(384,783)
	2,656,358	3,107,242	3,300,474
Current	2,008,704	1,615,259	1,658,609
Non-current	647,654	1,491,983	1,641,865
	2,656,358	3,107,242	3,300,474

Notes:

(a) The Group typically agrees to retain 3% to 10% of the contract value as retention money. The retention period normally ranges from two to five years upon the completion of work. These amounts are included in contract assets until the end of the retention period as the Group's entitlement to these final payments are conditional on the projects keep properly functioning during the retention period.

(b) The amounts primarily represent the Group's rights to consideration for works completed but not yet billed, as such rights are conditional on the Group's future performance in achieving specified milestones. Contract assets are reclassified to trade receivables when the Group's rights become unconditional. The Group typically reclassifies contract assets to trade receivables upon the issuance of settlement statement issued by the customers, when such right to receive consideration becomes unconditional other than the passage of time.

(c) Detail information about the impairment of contract assets and the Group's exposure to credit risk is described in Note 49.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Retention receivables under retention period	1,005,576	1,073,586	1,101,100
Less: allowance for impairment	(56,994)	(79,103)	(95,920)
	948,582	994,483	1,005,180
Current	531,060	560,201	549,639
Non-current	417,522	434,282	455,541
	948,582	994,483	1,005,180

26. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayments for acquisition of long-term assets	267,551	462,161	562,648
Prepayments for production capacity guarantee	15,653	12,246	8,642
Others	25,110	33,172	62,731
	308,314	507,579	634,021
Current			
Other receivables			
– Deposits	578,710	1,040,010	1,155,277
– Receivables for disposal of assets with power plant projects	884,698	907,095	877,646
– Others	194,503	218,764	330,057
	1,657,911	2,165,869	2,362,980
Less: allowance for impairment	(249,038)	(405,182)	(539,264)
	1,408,873	1,760,687	1,823,716
Prepayment for materials and services	457,424	214,869	997,780
VAT recoverable	999,741	2,420,593	2,521,626
Deferred [**REDACTED**]	–	–	[**REDACTED**]
Others	170,117	304,327	464,938
	3,036,155	4,700,476	5,829,847

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayments for acquisition of long-term assets	189,566	217,155	239,454
Prepayments for production capacity guarantee	15,653	12,246	8,642
Others	15,882	22,733	44,410
	221,101	252,134	292,506

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Other receivables			
– Due from subsidiaries	1,836,531	3,415,957	3,396,666
– Deposits	191,430	599,947	478,525
– Others	91,287	107,880	132,749
	2,119,248	4,123,784	4,007,940
Less: allowance for impairment	(200,289)	(356,953)	(394,192)
	1,918,959	3,766,831	3,613,748
Prepayments for materials and service	18,379	7,743	387,486
VAT recoverable	14	334,816	215,392
Deferred [**REDACTED**]	–	–	[**REDACTED**]
Others	13,146	32,581	64,797
	1,950,498	4,141,971	4,303,210

Certain other receivables are pledged as security for the Group's borrowings, details are disclosed in Note 41 to the Historical Financial Information.

The movements on the impairment of other receivables are as follows:

The Group

	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	131,286	–	3,200	134,486
Provision	85,959	–	2,443	88,402
Additions through acquisition of a subsidiary	33,943	–	–	33,943
Written off	(6,522)	–	–	(6,522)
Exchange realignment	695	–	–	695
Others	(1,966)	–	–	(1,966)
As at December 31, 2023	243,395	–	5,643	249,038
As at January 1, 2024	243,395	–	5,643	249,038
Provision	164,828	–	–	164,828
Additions through acquisition of a subsidiary	949	–	–	949
Written off	(1,234)	–	(3,200)	(4,434)
Exchange realignment	855	–	–	855
Others	(6,054)	–	–	(6,054)
As at December 31, 2024	402,739	–	2,443	405,182
As at January 1, 2025	402,739	–	2,443	405,182
Provision	136,336	–	19,523	155,859
Written off	(651)	–	–	(651)
Exchange realignment	(2,981)	–	–	(2,981)
Others	(18,145)	–	–	(18,145)
As at December 31, 2025	517,298	–	21,966	539,264

The Company

	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	96,648	–	3,200	99,848
Provision	102,346	–	–	102,346
Written off	(1,905)	–	–	(1,905)
As at December 31, 2023	197,089	–	3,200	200,289
As at January 1, 2024	197,089	–	3,200	200,289
Provision	159,864	–	–	159,864
Written off	–	–	(3,200)	(3,200)
As at December 31, 2024	356,953	–	–	356,953
As at January 1, 2025	356,953	–	–	356,953
Provision	34,268	–	2,971	37,239
As at December 31, 2025	391,221	–	2,971	394,192

27. DEFERRED INCOME TAX

The Group

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to the same tax authority.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	2,182,534	3,084,065	3,349,372
Offset by deferred tax liabilities	(111,246)	(132,576)	(156,331)
Net deferred tax assets	2,071,288	2,951,489	3,193,041
Deferred tax liabilities	123,854	214,905	239,488
Offset by deferred tax assets	(111,246)	(132,576)	(156,331)
Net deferred tax liabilities	12,608	82,329	83,157

(a) Deferred tax assets

The movements in deferred tax assets during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Impairment provision	Tax losses	Unrealized profit on intra-group transactions	Accruals and provisions	Share-based payment	Deferred income	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	270,901	33,942	606,945	94,578	19,410	23,597	48,784	1,098,157
Credited/(charged) to profit or loss	116,357	24,982	748,882	159,882	5,995	(358)	26,416	1,082,156
Charged to capital reserve	–	–	–	–	(2,222)	–	–	(2,222)
Exchange realignment	3,814	–	–	384	–	–	245	4,443
As at December 31, 2023 and January 1, 2024	391,072	58,924	1,355,827	254,844	23,183	23,239	75,445	2,182,534

	Impairment provision	Tax losses	Unrealized profit on intra-group transactions	Accruals and provisions	Share-based payment	Deferred income	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	270,901	33,942	606,945	94,578	19,410	23,597	48,784	1,098,157
Credited/(charged) to profit or loss	181,396	(31,262)	467,867	188,916	33,473	7,139	1,919	849,448
Credited to capital reserve	–	–	–	–	18,519	–	–	18,519
Exchange realignment	5,197	–	–	(579)	–	–	29	4,647
Additions through acquisition of a subsidiary	8,114	–	4	6,465	1,111	13,223	–	28,917
As at December 31, 2024 and January 1, 2025	585,779	27,662	1,823,698	449,646	76,286	43,601	77,393	3,084,065
Credited/(charged) to profit or loss	158,222	18,758	(365,867)	307,678	14,825	(5,415)	16,934	145,135
Credited to capital reserve	–	–	–	–	119,020	–	–	119,020
Exchange realignment	728	–	–	849	–	–	126	1,703
Reduction on disposal of subsidiaries	(551)	–	–	–	–	–	–	(551)
As at December 31, 2025	744,178	46,420	1,457,831	758,173	210,131	38,186	94,453	3,349,372

(b) Deferred tax liabilities

The movements in deferred tax liabilities during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Fair value adjustments arising from acquisition of subsidiaries	Fair value changes of financial assets at fair value	Depreciation of property, plant and equipment	Right-of-use assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	13,401	1,017	23,595	47,558	–	85,571
(Credited)/charged to profit or loss	(796)	15,322	(800)	24,557	–	38,283
As at December 31, 2023 and January 1, 2024	12,605	16,339	22,795	72,115	–	123,854
(Credited)/charged to profit or loss	(796)	7,144	28,901	3,047	14,645	52,941
Additions through acquisition of a subsidiary	37,469	(60)	635	66	–	38,110
As at December 31, 2024 and January 1, 2025	49,278	23,423	52,331	75,228	14,645	214,905
(Credited)/charged to profit or loss	(4,433)	13,486	(32,210)	17,997	29,743	24,583
As at December 31, 2025	44,845	36,909	20,121	93,225	44,388	239,488

(c) Tax losses and deductible temporary differences with deferred tax assets not recognized

Deferred tax assets are recognized to the extent that the realization of the related tax benefit through the future taxable profits is probable. Deferred tax assets have not been recognized in respect of the following items:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Tax losses	371,058	1,947,493	2,589,090
Deductible temporary differences	3,626,112	5,180,415	6,422,474
	3,997,170	7,127,908	9,011,564

The Group has unused tax losses of approximately RMB756,676,000, RMB2,089,785,000, and RMB2,867,811,000 as at December 31, 2023, 2024 and 2025 respectively, which are available for offset against future profits. No deferred tax assets have been recognized for in respect of certain losses due to the unpredictability of future profit streams. Unrecognized tax losses amounted to approximately RMB371,058,000, RMB1,947,493,000, and RMB2,589,090,000 as at the respective dates.

Deductible tax losses that are not recognized for deferred tax assets will expire as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
2025	18	1,675	–
2026	23,685	28,595	28,569
2027	35,443	40,056	75,556
2028	117,616	141,286	101,369
2029	13,311	293,709	237,115
2030	26,857	93,479	224,655
2031	48,695	166,227	156,280
2032	52,781	321,379	344,690
2033	52,652	558,571	592,716
2034	–	302,516	375,093
2035	–	–	453,047
	371,058	1,947,493	2,589,090

The Company

The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	500,613	824,727	1,133,227
Offset by deferred tax liabilities	(29,465)	(33,000)	(32,439)
	471,148	791,727	1,100,788
Deferred tax liabilities	29,465	33,000	32,439
Offset by deferred tax assets	(29,465)	(33,000)	(32,439)
Net deferred tax liabilities	–	–	–

(a) Deferred tax assets

The movements in deferred tax assets during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Impairment provision	Accruals and provisions	Share-based payment	Deferred income	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	214,878	79,864	14,997	21,992	7,317	339,048
Credited/(charged) to profit or loss	47,140	114,969	5,694	(924)	(4,219)	162,660
Charged in capital reserve	–	–	(1,095)	–	–	(1,095)
As at December 31, 2023 and January 1, 2024	262,018	194,833	19,596	21,068	3,098	500,613
Credited/(charged) to profit or loss	129,561	140,583	31,963	5,584	(1,357)	306,334
Credited in capital reserve	–	–	17,780	–	–	17,780
As at December 31, 2024 and January 1, 2025	391,579	335,416	69,339	26,652	1,741	824,727
Credited/(charged) to profit or loss	71,425	121,987	14,101	(3,425)	1,376	205,464
Credited in capital reserve	–	–	103,036	–	–	103,036
As at December 31, 2025	463,004	457,403	186,476	23,227	3,117	1,133,227

(b) Deferred tax liabilities

The movements in deferred income tax liabilities during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Right-of-use assets	Fair value adjustments arising from acquisition of subsidiaries	Depreciation-of-property, plant and equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	7,159	4,943	15,845	27,947
Credited/(charged) to profit or loss	(4,172)	8,069	(2,379)	1,518
As at December 31, 2023 and January 1, 2024	2,987	13,012	13,466	29,465
Credited/(charged) to profit or loss	(971)	6,861	(2,355)	3,535
As at December 31, 2024 and January 1, 2025	2,016	19,873	11,111	33,000
Charged/(credited) to profit or loss	1,355	307	(2,223)	(561)
As at December 31, 2025	3,371	20,180	8,888	32,439

28. INVENTORIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	4,301,582	3,704,448	5,031,011
Semi-finished goods and work in progress	586,037	937,682	1,063,878
Contract fulfillment costs	9,843,985	14,004,601	5,473,475
Finished goods	8,398,821	12,460,191	17,180,909
	23,130,425	31,106,922	28,749,273
Less: provision for impairment *(Note)*	(1,688,920)	(2,079,361)	(1,493,856)
	21,441,505	29,027,561	27,255,417

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	2,655,253	1,879,517	1,817,115
Semi-finished goods and work in progress	275,705	358,633	277,827
Contract fulfillment costs	–	–	5,902
Finished goods	3,230,020	5,505,099	4,251,955
	6,160,978	7,743,249	6,352,799
Less: provision for impairment *(Note)*	(223,068)	(382,215)	(558,730)
	5,937,910	7,361,034	5,794,069

Note:

Inventories are stated at the lower of cost and net realizable value at the end of each reporting period. The net realizable value is the estimated selling price in the current course of business, less applicable costs, selling expenses and tax charges. The Group make the best estimate on the net realizable value and the corresponding impairment of inventory, while the impairment assessment may still be significantly changed due to the change of market conditions.

29. RESTRICTED BANK DEPOSITS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Pledged bank deposits for bank acceptance notes	1,663,290	1,832,774	715,189
Pledged bank deposits for other purposes *(Note)*	100,305	249,438	117,660
	1,763,595	2,082,212	832,849

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Pledged bank deposits for bank acceptance notes.	546,752	537,818	344,835
Pledged bank deposits for other purposes *(Note)* .	18,657	17,570	17,007
	565,409	555,388	361,842

Note:

Pledged bank balances for other purposes mainly included letters of guarantee, guarantee for land reclamation and guarantee for photovoltaic loan.

30. CASH AND CASH EQUIVALENTS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank deposits	16,267,022	17,717,234	21,997,964

Denominated in:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
RMB	14,571,397	13,503,046	15,378,602
USD	1,120,317	3,463,805	5,301,176
EUR	94,432	178,882	765,001
Others	480,876	571,501	553,185
	16,267,022	17,717,234	21,997,964

RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank deposits	11,700,121	13,426,827	17,423,107

Denominated in:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
RMB	11,688,873	10,456,122	13,228,921
USD	7,912	2,855,262	3,785,399
EUR	3,184	3,130	390,638
Others	152	112,313	18,149
	11,700,121	13,426,827	17,423,107

31. TRADE AND NOTES PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	15,571,135	20,956,591	21,073,708
Notes payables	12,914,781	15,800,567	15,562,127
	28,485,916	36,757,158	36,635,835

The carrying amounts of the Group's trade and notes payables approximated their fair values as at the balance sheet dates.

The credit period granted by suppliers is generally within 180 days. The aging analysis of the trade payables of the Group as at December 31, 2023, 2024 and 2025 based on recognition date is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
– Within 1 year	15,146,216	20,625,794	20,252,735
– Over 1 year but within 2 years	290,276	221,810	675,800
– Over 2 years but within 3 years	79,380	46,729	47,908
– Over 3 years	55,263	62,258	97,265
	15,571,135	20,956,591	21,073,708

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
– Due to other parties	7,183,355	8,393,944	6,741,860
– Due to subsidiaries	2,234,754	6,157,598	4,538,097
Notes payables	6,536,521	5,852,635	7,233,307
	15,954,630	20,404,177	18,513,264

The aging analysis of the trade payables of the Company as at December 31, 2023, 2024 and 2025 based on recognized date is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
– Within 1 year	8,992,200	13,837,056	10,818,898
– Over 1 year but within 2 years	178,604	504,856	379,588
– Over 2 years but within 3 years	64,013	134,911	14,719
– Over 3 years	183,292	74,719	66,752
	9,418,109	14,551,542	11,279,957

32. CONTRACT LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Advance payments from customers	6,564,810	10,027,405	10,655,608

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Advance payments from customers			
– Advance from subsidiaries	192,925	652,671	734,458
– Advance from other parties	1,469,019	3,719,579	2,077,617
	1,661,944	4,372,250	2,812,075

Contract liabilities mainly arise from the advance payments from customers upon which the performance obligations have been established while the underlying services or goods are yet to be provided.

The following table shows how much of the revenue recognized during the Track Record Periods relates to carried-forward contract liabilities:

The Group

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognized that was included in the contract liabilities balance at the beginning of the year	3,469,681	6,018,151	9,460,595

The Company

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognized that was included in the contract liabilities balance at the beginning of the year	424,291	1,272,718	3,891,639

33. OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Deferred income	168,762	371,210	313,543
Deposits from energy storage service systems projects	–	382,163	394,702
Others	–	4,754	–
	168,762	758,127	708,245
Current			
Payroll and welfare payables	1,063,589	1,357,773	2,616,209
Endorsed notes receivables that have not been derecognized and not yet due	543,322	580,901	973,230
Other tax payables	1,192,614	2,060,387	1,040,493
Deposits received	1,293,801	1,335,095	807,223
Accrued [**REDACTED**]	–	–	[**REDACTED**]
Others	472,592	517,033	544,450
	4,565,918	5,851,189	5,987,760

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Deferred income	140,457	177,681	154,848
Current			
Amounts due to subsidiaries	2,851,637	6,644,667	5,573,934
Payroll and welfare payables	440,162	518,649	892,995
Endorsed notes receivables that have not been derecognized and not yet due	526,491	531,361	874,633
Other tax payables	167,269	256,606	296,068
Deposits received	38,267	39,077	53,345
Accrued [**REDACTED**]	–	–	[**REDACTED**]
Others	42,273	73,036	96,483
	4,066,099	8,063,396	7,793,613

34. BORROWINGS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Unsecured and unguaranteed			
Long-term bank borrowings	1,758,360	126,000	595,089
Long-term other borrowings	49,562	305,762	44,466
	1,807,922	431,762	639,555
Unsecured and guaranteed			
Long-term bank borrowings *(Note (a))*	–	524,346	20,666
Secured and guaranteed			
Long-term bank borrowings *(Note (c))*	1,561,783	–	–
Secured and unguaranteed			
Long-term bank borrowings *(Note (b))*	859,560	4,213,088	2,449,127
Long-term other borrowings *(Note (b))*	142,262	2,551,386	782,555
	1,001,822	6,764,474	3,231,682
	4,371,527	7,720,582	3,891,903
Current			
Unsecured and unguaranteed			
Bank borrowings under supplier financing arrangements *(Note (d))*	1,873,028	2,952,512	1,556,777
Short-term bank borrowings	809,697	942,468	49,746
Bank borrowings under factoring of receivables	–	203,568	9,852
Current portion of long-term bank borrowings	1,030,110	937,079	3,690
Current portion of long-term other borrowings	4,458	4,153	3,466
	3,717,293	5,039,780	1,623,531
Unsecured and guaranteed			
Short-term bank borrowings *(Note (a))*	110,294	115,161	806,071
Current portion of long-term bank borrowings *(Note (a))*	–	–	16,000
	110,294	115,161	822,071
Secured and guaranteed			
Current portion of long-term bank borrowings *(Note (c))*	144,437	–	–
Secured and unguaranteed			
Current portion of long-term bank borrowings *(Note (b))*	58,776	309,135	270,424
Current portion of long-term other borrowings *(Note (b))*	23,124	615,208	149,628
	81,900	924,343	420,052
	4,053,924	6,079,284	2,865,654

As at December 31, 2023, 2024 and 2025, the annual interest rates of short-term bank borrowings were ranged from 0.40% to 6.33%, 2.25% to 6.78%, and 2.10% to 5.20%, respectively.

As at December 31, 2023, 2024 and 2025, the annual interest rates of long-term bank borrowings were ranged from 2.20% to 4.75%, 2.20% to 4.75%, and 2.20% to 3.80%, respectively.

As at December 31, 2023, 2024 and 2025, the annual interest rates of long-term other borrowings were ranged from 2.21% to 5.05%, 2.98% to 3.36%, and 3.2% to 5.00%, respectively.

Notes:

(a) As at December 31, 2023, 2024 and 2025, bank borrowings of subsidiaries approximately RMB110,294,000, RMB639,507,000 and RMB842,737,000 were guaranteed by the Company or Sungrow Renewables.

(b) As at December 31, 2023, 2024 and 2025, bank borrowings of approximately RMB918,336,000, RMB4,522,223,000 and RMB2,719,551,000 and other borrowings of approximately RMB165,386,000, RMB3,166,594,000 and RMB932,183,000 were secured by the Group's property, plant and equipment, other receivables, trade receivables (Note 41) and the tolling rights of the power generation projects.

(c) As at December 31, 2023, bank borrowings of approximately RMB1,706,220,000 are secured by the Group's property, plant and equipment, other receivables, trade receivables (Note 41) and the tolling rights of the power generation projects, and guaranteed by the Company or Sungrow Renewables.

(d) The Group introduced a third-party supply chain information service platform to provide services to its suppliers with the Group's electronic debt certificates. The Group's payment obligations under the electronic debt certificates are unconditional and irrevocable, and unaffected by any commercial disputes between the parties involved in the transfer of the electronic debt certificates. The Group shall not claim set-off or raise any defense against the payment obligations. According to the business rules, the Group shall settle the amounts stated in the electronic debt certificates on the payment date. The electronic debt certificates are transferable and financially viable.

Under supplier financing arrangements, the banks paid a supplier the amounts owed by the Group in advance of the original due dates. The Group's obligations to the supplier are legally extinguished on payment by the relevant banks. The Group then settled with the banks within 180 days after settlement by the banks. These arrangements have may extend the original payment. As at December 31, 2023, 2024 and 2025, the annual interest rates of borrowings under supplier financing arrangement were ranged from 2.40% to 3.2%, 1.70% to 3.05%, and 2.15% to 2.45% respectively and the interest rate was determined by reference to the prevailing market interest rate.

The non-cash transactions under the supplier financing arrangement were approximately RMB1,922,011,000, RMB3,057,804,000, and RMB3,057,776,000 during the years ended December 31, 2023, 2024 and 2025, respectively.

Carrying amount of financial liabilities that are part of supplier financing arrangements are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Presented as part of:			
– Trade and notes payables	–	4,934	105,801
Payments have been received by the suppliers from the banks:			
– Bank borrowings under supplier financing arrangements	1,873,028	2,952,512	1,556,777

The range of payment due dates for the liabilities under supplier financing arrangements and comparable trade payables are as follows:

	As at December 31,		
	2023	2024	2025
Liabilities that are part of bank borrowings under supplier financing arrangements	within 360 days	within 360 days	within 360 days
Comparable trade payables that are not part of supplier financing arrangements	within 180 days	within 180 days	within 180 days

The carrying amounts of liabilities under the supplier financing arrangements approximated their fair values, due to their short-term nature.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Unsecured and unguaranteed			
Long-term bank borrowings	811,360	–	–
Current			
Unsecured and unguaranteed			
Bank borrowings under supplier financing arrangements	–	157,164	360,078
Short-term bank borrowings	12,122	11,837	–
Bank borrowings under factoring of receivables	–	203,568	8,481
Current portion of long-term bank borrowings	146,989	811,893	–
	159,111	1,184,462	368,559

The Group's and the Company's borrowings were repayable as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analyzed as:			
Bank borrowings:			
– Within 1 year	4,026,342	5,459,923	2,712,560
– Over 1 year but within 2 years	1,935,669	466,955	297,477
– Over 2 years but within 5 years	763,926	1,114,865	1,034,906
– Over 5 years	1,480,108	3,281,614	1,732,499
	8,206,045	10,323,357	5,777,442
Other borrowings:			
– Within 1 year	27,582	619,361	153,094
– Over 1 year but within 2 years	77,642	2,158,853	114,993
– Over 2 years but within 5 years	58,059	209,032	228,539
– Over 5 years	56,123	489,263	483,489
	219,406	3,476,509	980,115
Total	8,425,451	13,799,866	6,757,557

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analyzed as:			
Bank borrowings:			
– Within 1 year	159,111	1,184,462	368,559
– Over 1 year but within 2 years	811,360	–	–
	970,471	1,184,462	368,559

The Group's and the Company's borrowings that are denominated in currencies of the relevant group entities are set out below:

The Group

Denominated in:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
RMB	8,401,169	13,684,705	6,475,556
USD	–	115,161	282,001
Others	24,282	–	–
	8,425,451	13,799,866	6,757,557

The Company

Denominated in:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
RMB	970,471	1,184,462	368,559
EUR	–	–	–
	970,471	1,184,462	368,559

Details of the Group's borrowing with floating rate are disclosed in Note 49 to the Historical Financial Information.

35. FINANCIAL LIABILITIES AT FVTPL

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
– Liabilities arising from a forward share purchase agreement *(Note (a))*	–	408,604	–
– Redemption liabilities to other investors of structured entities *(Note (b))*	39,610	41,846	40,665
	39,610	450,450	40,665
Current			
– Liabilities arising from a forward share purchase agreement	–	–	190,782
	–	–	190,782

Notes:

(a) Pursuant to the acquisition agreement, the Group was to acquire an additional 10.13% equity interest in Taihe Intelligent. from Xu Dahong (許大紅) by December 31, 2026. In 2025, the Group acquired 5.79% of such equity interest from Xu Dahong (許大紅). The remaining payment obligation under the forward share purchase agreement has been recognized as financial liability at fair value through profit or loss.

(b) The Group controls the structured entities as the Group has power over, is exposed to and has rights to variable returns from its involvement with these entities and has the ability to affect those returns through its power over the entities. For the amount raised from other investors of the entities, the Group has contractual obligation to settle the liability with other investors and the Group classifies it as a financial liability at FVTPL.

36. REDEMPTION LIABILITIES

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Redemption liabilities	–	867,400	881,720

In 2024, the Sungrow Renewables entered into an investment agreement with series A investors, pursuant to which the Sungrow Renewables issued and allotted 66,850,829 shares to series A investors at a consideration of approximately RMB847,000,000.

At the same time, the subsidiary agreed with the shareholders in agreements to grant the shareholders with redemption rights. The Group recognized its obligation of redeemable rights of the redemption liabilities as financial liabilities at initially at the present value of the redemption amount and subsequently measured at amortized cost with interest charged in finance costs, and finance cost is recognized in statements of comprehensive loss on effective interest method.

The movements of redemption liabilities during the Track Record Period are as follows:

	RMB'000
As at January 1, 2023, December 31, 2023, and January 1, 2024	–
Addition	847,000
Interest expense	20,400
At December 31, 2024, and January 1, 2025	867,400
Interest paid	(11,090)
Interest expense	25,410
At December 31, 2025	881,720

Key terms of preferred rights granted

Redemption rights

Series A investors have rights to require the Company to redeem their investments if the Sungrow Renewables fails to achieve a qualified application accepted by a stock exchange recognized by all investors within three years from the closing date of the Series A financing. The redemption amount is the total amount paid by the investors to obtain the equity interest of the subsidiary, plus an annual simple interest rate of 3% for a period of time commencing from actual payment date of the investment funds to the date of stated in the contracts to the date triggering redemption (calculated as 365 days in a calendar year) and deduct any cash proceeds received, including dividends.

37. PROVISIONS

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Warranty provisions	2,528,439	4,234,974	5,568,918
Refund liabilities *(Note)*	34,270	109,361	97,869
Others	5,981	38,987	34,028
	2,568,690	4,383,322	5,700,815

Note:

Refund liability arises from customers' right to return products. At the time of sale, the Group recognizes a refund liability and a corresponding adjustment to revenue for products expected to be returned. These estimates are also determined on a portfolio level using the expected value method, reflecting the Group's historical return patterns.

The movements of provisions during the Track Record Period are as follows:

	Warranty provisions	Refund liability	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	1,001,992	–	10,064	1,012,056
Net provision/(utilization) during the year	1,513,562	34,270	(4,083)	1,543,749
Exchange realignment	12,885	–	–	12,885
As at December 31, 2023 and January 1, 2024	2,528,439	34,270	5,981	2,568,690
Net provision during the year	1,712,230	75,091	31,039	1,818,360
Additions through acquisition of a subsidiary	–	–	1,967	1,967
Exchange realignment	(5,695)	–	–	(5,695)
As at December 31, 2024 and January 1, 2025	4,234,974	109,361	38,987	4,383,322
Net provision/(utilization) during the year	1,303,605	(11,492)	(5,246)	1,286,867
Exchange realignment	30,339	–	287	30,626
As at December 31, 2025	5,568,918	97,869	34,028	5,700,815

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Warranty provisions	834,813	1,270,862	1,733,980

	Warranty provisions
	RMB'000
As at January 1, 2023	532,429
Net provision during the year	302,384
As at December 31, 2023 and January 1, 2024	834,813
Net provision during the year	436,049
As at December 31, 2024 and January 1, 2025	1,270,862
Net provision during the year	463,118
As at December 31, 2025	1,733,980

38. SHARE CAPITAL AND TREASURY SHARES

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Share capital	1,485,151	2,073,211	2,073,211
Treasury shares reserve	(1,381,068)	(1,771,123)	(1,616,913)
	104,083	302,088	456,298

The changes in the Company's authorized, issued and fully paid share capital are as follows:

	Number of shares	Share capital
	'000	*RMB'000*
Ordinary shares of RMB1 each		
As at January 1, 2023	1,485,191	1,485,191
Cancelation of shares under restricted shares incentive schemes *(Note (a))*	(40)	(40)
As at December 31, 2023 and January 1, 2024	1,485,151	1,485,151
Conversion of capital reserve into share capital *(Note (b))*	588,060	588,060
As at December 31, 2024, January 1, 2025 and December 31, 2025	2,073,211	2,073,211

The detail of the treasury shares reserve and number of treasury shares outstanding at the end of each year for the Track Record Period are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	520,750	1,381,068	1,771,123
Cancelation of shares under restricted shares incentive schemes *(Note (a))*	(206)	–	–
Repurchase of shares *(Note (c))*	980,071	517,786	299,975
Exercise of shares under restricted shares incentive schemes *(Note (d))*	(119,547)	(127,731)	(454,185)
At the end of the year	1,381,068	1,771,123	1,616,913
Number of treasury shares (in thousands)	16,312	20,860	20,388

Notes:

(a) On July 19, 2023, a total of 40,000 restricted shares granted in Incentive Plan 2018 was canceled, as participants have resigned. Therefore, the share capital of RMB40,000 and treasury shares of approximately RMB206,000 were derecognized.

(b) Pursuant to the "Proposal on the 2023 Profit Distribution Plan and Capitalization of Capital Reserve" approved at the 2023 Annual General Meeting convened at May 28, 2024, the capital reserve of approximately RMB588,060,000 were converted into share capital.

(c) During the year ended December 31, 2023, the Company repurchased 11,316,009 of its own ordinary shares through the Shenzhen Stock Exchange with an aggregate consideration of approximately RMB980,071,000 paid.

During the year ended December 31, 2024, the Company repurchased 6,056,202 of its own ordinary shares through the Shenzhen Stock Exchange with an aggregate consideration of approximately RMB517,786,000 paid.

During the year ended December 31, 2025, the Company repurchased 5,255,103 of its own ordinary shares through the Shenzhen Stock Exchange with an aggregate consideration of approximately RMB299,975,000 paid.

(d) Pursuant to the approved restricted shares incentive plan in the year ended December 31, 2022 (the "**Incentive Plan 2022**"), on April 24, 2023, a total of 1,488,750 restricted shares granted in the Incentive Plan 2022 met the conditions for relieving restriction were released and listed for circulation and the treasury shares reserve of approximately RMB119,547,000 were derecognized.

On 22 April 2024, a total of 1,508,750 restricted shares granted in the Incentive Plan 2022 met the conditions for relieving restriction were released and listed for circulation and the treasury shares reserve of approximately RMB127,731,000 were derecognized.

On April 25, 2025, a total of 2,010,050 restricted shares granted in the Incentive Plan 2022 met the conditions for relieving restriction were released and listed for circulation and the treasury shares reserve of approximately RMB159,417,000 were derecognized.

Pursuant to the approved restricted shares incentive plan in the year ended 31 December 2023 (the "**Incentive Plan 2023**"), on April 25, 2025, a total of 3,417,750 restricted shares granted in the Incentive Plan 2023 met the conditions for relieving restriction were released and listed for circulation and the treasury shares reserve of approximately RMB271,062,000 were derecognized.

On September 30, 2025, a total of 298,900 restricted shares granted in the Incentive Plan 2023 met the conditions for relieving restriction were released and listed for circulation and the treasury shares reserve of approximately RMB23,706,000 were derecognized.

39. SHARE-BASED EMPLOYEE COMPENSATIONS

(a) Share-based payment expenses during the Track Record Period were as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Share-based payment expenses	200,115	438,260	462,264

(b) Share Incentive Scheme

In recognition of the contributions of employees and to incentivize them to further promote the development of the Group, the Group's subsidiaries had adopted a share incentive scheme (the "**Share Incentive Scheme**"), to award the partnership interest in the share incentive platforms to the scheme participants. Sungrow Renewables, Sungrow Electric Power, Sungrow Smart Maintenance, Sungrow FPV Sci., Sungrow Hydrogen, Taihe Intelligent have established share incentive platforms to hold the shares specially awarded to the eligible participants as the ultimate beneficial owners.

On December 30, 2020, Sungrow Renewables issued its paid-in capital amounted to RMB56,753,000 to incentive platforms and share incentive participants. The subscription price was RMB2.3 per RMB1 of registered capital, while the fair value assessed by a professional appraisal institution was RMB3.64 per RMB1 of paid-in capital.

On April 25, 2023, Sungrow Electric Power issued its paid-in capital amounted to RMB44,700,000 to incentive platforms and share incentive participants. The subscription price was RMB1 per RMB1 of registered capital, while the fair value assessed by a professional appraisal institution was RMB1.12 per RMB1 of paid-in capital.

On April 24, 2023, Sungrow Smart Maintenance issued its paid-in capital amounted to RMB430,000,000 to incentive platforms and share incentive participants. The subscription price was RMB3.30 per RMB1 of registered capital, while the fair value assessed by a professional appraisal institution was RMB5.34 per RMB1 of paid-in capital.

On October 27, 2023, Sungrow FPV Sci. issued its paid-in capital amounted to RMB324,000,000 to incentive platforms and share incentive participants. The subscription price was RMB2.30 per RMB1 of registered capital, while the fair value assessed by a professional appraisal institution was RMB3.22 per RMB1 of paid-in capital.

On October 28, 2023, Sungrow Hydrogen SCI issued its paid-in capital amounted to RMB45,388,000 to incentive platforms and share incentive participants. The subscription price was RMB2.00 per RMB1 of registered capital, while the fair value assessed by a professional appraisal institution was RMB1.20 per RMB1 of paid-in capital.

These awards at the incentive platforms are granted in tranches over a specified service period. The number of restricted shares granted to the Group's incentive participants is summarized as follows:

	Sungrow Renewable	Sungrow Electric Power	Sungrow Smart Maintenance	Sungrow FPV Sci.	Sungrow Hydrogen SCI	Taihe Intelligent
	'000	*'000*	*'000*	*'000*	*'000*	*'000*
As at January 1, 2023	245,253	–	–	–	–	–
Granted	19,350	90,829	18,315	22,021	45,388	–
Forfeited	(19,100)	(740)	–	–	–	–
As at December 31, 2023 and January 1, 2024	245,503	90,089	18,315	22,021	45,388	–
Granted	5,750	18,710	210	3,510	2,416	–
Additions through acquisition of a subsidiary	–	–	–	–	–	1,890
Forfeited	(4,500)	(18,650)	(210)	(3,610)	(2,420)	–
As at December 31, 2024 and January 1, 2025	246,753	90,149	18,315	21,921	45,384	1,890
Granted	6,600	2,080	1,244	1,900	–	105
Vested	–	–	–	–	–	(730)
Forfeited	(7,100)	(1,460)	(1,380)	(1,800)	–	(535)
As at December 31, 2025	246,253	90,769	18,179	22,021	45,384	730

(c) Restricted Share Incentive Scheme

Restricted shares refer to the ordinary shares that participants could be subscribed upon the satisfaction of both the Group's performance conditions and individual performance conditions under the Restricted A-share Scheme. Upon the satisfaction of the Group's and individual's performance conditions under the Restricted A-share Scheme, the participants of restricted shares have the right to subscribe ordinary shares.

(i) Pursuant to the proposals such as "Proposal on the 2022 Restricted Share Incentive Plan (Draft) and its Summary of the Company" (the "**Incentive Plan 2022**") approved at the 2022 first Extraordinary General Meeting of the Company on May 30, 2022, the Company completed the registration of the initial grant of 6,165,000 restricted share with vesting period to 467 incentive participants in May 2022 at an exercise price of RMB35.54 per share and the vesting periods for restricted shares granted are 1 year, 2 years, 3 years, and 4 years from the grant date. Pursuant to the Group's performance appraisal and individual performance appraisal, 25%, 25%, 25% and 25% of the restricted shares will be vested respectively.

On April 24, 2023, the Company completed the grant of the reserved 320,000 restricted shares with vesting period to 30 incentive participants at an exercise price of RMB35.43 per share and the vesting periods for restricted shares granted are 1 year, 2 years and 3 years from the grant date. Pursuant to the Group's performance appraisal and individual performance appraisal, 30%, 30% and 40% of the restricted shares will be vested respectively.

(ii) Pursuant to the proposals such as "Proposal on the 2023 Restricted Share Incentive Plan (Draft) and its Summary of the Company" (the "**Incentive Plan 2023**") approved at the 2023 first Extraordinary General Meeting of the Company on December 22, 2023, the Company completed the registration of the initial grant of 10,375,000 restricted share with vesting period to 518 incentive participants in December 2023 at a exercise price of RMB43.22 per share and the vesting periods for restricted shares granted are 1 year, 2 years, 3 years, and 4 years from the grant date. Pursuant to the Group's performance appraisal and individual performance appraisal, 25%, 25%, 25% and 25% of the restricted shares will be vested respectively.

On September 30, 2024, the Company completed the grant of the reserved 1,575,000 restricted shares with vesting period to 73 incentive participants at an exercise price of RMB30.18 per share and the vesting periods for restricted shares granted are 1 year, 2 years, 3 years and 4 years from the grant date. Pursuant to the Group's performance appraisal and individual performance appraisal, 25%, 25%, 25% and 25% of the restricted shares will be vested respectively.

(iii) Pursuant to the proposals such as "Proposal on the 2025 Restricted Share Incentive Plan (Draft) and its Summary of the Company" (the "**Incentive Plan 2025**") approved at the 2025 first Extraordinary General Meeting of the Company on March 18, 2025, the Company completed the registration of the initial grant of 9,105,000 restricted share with vesting period to 874 incentive participants in March 2025 at a exercise price of RMB35.27 per share. Pursuant to the Incentive Plan 2025, the vesting periods for restricted shares granted are 1 year, 2 years, 3 years, and 4 years from the grant date. Pursuant to the Group's performance appraisal and individual performance appraisal, 25%, 25%, 25% and 25% of the restricted shares will be vested respectively.

Set out below are details of the movements of the outstanding number of the restricted shares under restricted share incentive scheme throughout the Track Record Period:

	As at December 31,		
	2023	2024	2025
	'000	*'000*	*'000*
As at the beginning of the year	6,020	14,995	19,649
Conversion of capital reserve into share capital	–	5,185	–
Granted	10,695	1,575	9,105
Vested	(1,489)	(1,509)	(5,727)
Forfeited	(231)	(597)	(687)
As at end of the year	14,995	19,649	22,340
Exercisable at the end of the year	1,530	5,930	8,106

The fair value of the equity-settled equity incentive granted on the grant date is estimated using the Black-Scholes option pricing model, in combination with the terms and conditions of the equity incentive granted. The following table lists the significant inputs to the model used:

	Incentive Plan 2022	Incentive Plan 2023	Incentive Plan 2025
Share price (RMB)	76.32	83.01	68.78
Exercise price (RMB) *(note)*	35.54	43.22	35.27
Expected volatility	26.34%–30.38%	16.43%–24.74%	27.15%–35.73%
Expected life (Years)	4 years	4 years	4 years
Risk-free rate	1.50%–2.75%	1.50%–2.75%	1.50%–2.75%

Note:

The exercise price of restricted stock may be adjusted in case of any allotments of shares payments of share dividends or other similar changes in the Company's share capital.

40. RESERVE

The Group

During the Track Record Period, the amounts of the Group's reserves and the changes therein are presented in the consolidated statements of changes in equity.

The Company

	Share capital	Treasury shares	Capital reserve	Other comprehensive income reserve	Special reserve	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	1,485,191	(520,750)	7,146,686	282	–	1,066,217	8,637,116	17,814,742
Profit for the year	–	–	–	–	–	–	9,606,879	9,606,879
Other comprehensive loss for the year	–	–	–	(282)	–	–	–	(282)
Total comprehensive (loss)/income for the year	–	–	–	(282)	–	–	9,606,879	9,606,597
Dividends declared *(Note 12)*	–	–	–	–	–	–	(325,302)	(325,302)
Revocable dividends attributable to restricted shareholders *(Note 12)*	–	–	–	–	–	–	(13)	(13)
Cancelation of shares under restricted shares incentive schemes	(40)	206	(153)	–	–	–	–	13
Repurchase of shares	–	(980,071)	–	–	–	–	–	(980,071)
Share-based payment expenses, net of tax	–	–	126,307	–	–	–	–	126,307
Exercise of shares under restricted shares incentive schemes	–	119,547	(66,800)	–	–	–	–	52,747
Provision of special reserve	–	–	–	–	18,509	–	–	18,509
Utilization of special reserve	–	–	–	–	(7,206)	–	–	(7,206)
As at December 31, 2023	1,485,151	(1,381,068)	7,206,040	–	11,303	1,066,217	17,918,680	26,306,323
As at January 1, 2024	1,485,151	(1,381,068)	7,206,040	–	11,303	1,066,217	17,918,680	26,306,323
Profit for the year	–	–	–	–	–	–	9,609,524	9,609,524
Total comprehensive income for the year	–	–	–	–	–	–	9,609,524	9,609,524
Conversion of capital reserve into share capital	588,060	–	(588,060)	–	–	–	–	–
Dividends declared *(Note 12)*	–	–	–	–	–	–	(1,418,696)	(1,418,696)
Repurchase of shares	–	(517,786)	–	–	–	–	–	(517,786)
Share-based payment expenses, net of tax	–	–	332,373	–	–	–	–	332,373
Exercise of shares under restricted shares incentive schemes	–	127,731	(74,608)	–	–	–	–	53,123
Provision of special reserve	–	–	–	–	23,771	–	–	23,771
Utilization of special reserve	–	–	–	–	(3,697)	–	–	(3,697)
As at December 31, 2024	2,073,211	(1,771,123)	6,875,745	–	31,377	1,066,217	26,109,508	34,384,935

	Share capital	Treasury shares	Capital reserve	Other comprehensive income reserve	Special reserve	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025	2,073,211	(1,771,123)	6,875,745	–	31,377	1,066,217	26,109,508	34,384,935
Profit for the year	–	–	–	–	–	–	8,571,575	8,571,575
Total comprehensive income for the year	–	–	–	–	–	–	8,571,575	8,571,575
Dividends declared *(Note 12)*	–	–	–	–	–	–	(4,166,909)	(4,166,909)
Repurchase of shares	–	(299,975)	–	–	–	–	–	(299,975)
Share-based payment expenses, net of tax	–	–	452,162	–	–	–	–	452,162
Exercise of shares under restricted shares incentive schemes	–	454,185	(293,173)	–	–	–	–	161,012
Provision of special reserve	–	–	–	–	26,757	–	–	26,757
Utilization of special reserve	–	–	–	–	(393)	–	–	(393)
As at December 31, 2025	2,073,211	(1,616,913)	7,034,734	–	57,741	1,066,217	30,514,174	39,129,164

41. PLEDGED ASSETS

The Group

At the end of each reporting period, the Group's certain assets have been pledged to secure notes payables, borrowings and banking facilities granted to the Group. The carrying amounts of the pledged assets of the Group at the end of each reporting period are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	984,851	1,128,768	1,306,846
Restricted bank deposits	1,763,595	2,082,212	832,849
Trade and notes receivables	871,835	868,111	585,179
Financial assets at FVTOCI	71,405	15,047	–
	3,691,686	4,094,138	2,724,874

42. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities during the Track Record Period are as follows:

	Bank Borrowings	Other Borrowings	Lease liabilities	Redemption liabilities	Dividends payable	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 34	*Note 34*	*Note 15(b)*	*Note 36*		
As at January 1, 2023	6,312,544	599,722	508,552	–	–	7,420,818
Cash flows	3,020,830	1,448,214	(79,719)	–	(362,911)	4,026,414
Interest expense	268,082	18,008	32,847	–	–	318,937
New leases, modification or termination	–	–	(56,673)	–	–	(56,673)
Dividends declared to the shareholders of the Company and non-controlling interests	–	–	–	–	362,911	362,911
Exchange realignment	(11,106)	–	–	–	–	(11,106)
Other non-cash movements *(Note)*	(1,384,305)	(1,846,538)	–	–	–	(3,230,843)

	Bank Borrowings	Other Borrowings	Lease liabilities	Redemption liabilities	Dividends payable	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 34	*Note 34*	*Note 15(b)*	*Note 36*		
As at December 31, 2023 and January 1, 2024	8,206,045	219,406	405,007	–	–	8,830,458
Cash flows	577,232	1,202,983	(100,670)	847,000	(1,418,696)	1,107,849
Interest expense	319,454	43,321	17,563	20,400	–	400,738
New leases, modification or termination	–	–	52,699	–	–	52,699
Dividends declared to the shareholders of the Company	–	–	–	–	1,418,696	1,418,696
Exchange realignment	(1,747)	–	–	–	–	(1,747)
Other non-cash movements *(Note)*	1,222,373	2,010,799	–	–	–	3,233,172
As at December 31, 2024 and January 1, 2025	10,323,357	3,476,509	374,599	867,400	–	15,041,865
Cash flows	(2,922,778)	(2,542,882)	(85,385)	(11,090)	(4,227,777)	(9,789,912)
Interest expense	221,954	87,921	26,854	25,410	–	362,139
New leases, modification or termination	–	–	119,424	–	–	119,424
Dividends declared to the shareholders of the Company and non-controlling interests	–	–	–	–	4,227,777	4,227,777
Exchange realignment	(12,335)	–	–	–	–	(12,335)
Other non-cash movements *(Note)*	(1,832,756)	(41,433)	–	–	–	(1,874,189)
As at December 31, 2025	5,777,442	980,115	435,492	881,720	–	8,074,769

Note: The other non-cash movement included borrowings increase resulted from direct payments to suppliers and settlement by notes and borrowings decrease resulted from disposal of assets related to power station projects during the years ended December 31, 2023, 2024 and 2025.

43. BUSINESS COMBINATIONS

On 18 October 2024, the Group entered into a share transfer agreement with Xu Dahong (許大紅) the shareholder of Taihe Intelligent to acquire 10.24% of the equity interests of Taihe Intelligent in cash. The total consideration of this acquisition was approximately RMB450,557,000.00. As at December 31, 2025, the acquisition consideration has been paid by the Group.

Concurrently, Xu Dahong (許大紅) and his party in concert, Yang Yalin (楊亞琳), unconditionally and irrevocably waived the voting rights of their remaining 23.45% shares of Taihe Intelligent held after the transfer. Ge Suhui (葛蘇徽) and Wang Jincheng (王金誠) unconditionally and irrevocably entrusted their voting rights corresponding to the remaining 3.13% equity interest of Taihe Intelligent to the Group after the transfer. As a result, the Group holds 13.36% of the total voting rights in Taihe Intelligent, making the Group the holder with largest voting rights, while the remaining voting highly dispersed by a large number of minority shareholders. On December 18, 2024, Taihe Intelligent convened its fifth Extraordinary General Meeting of 2024, completing the restructuring of its Board of Directors. The Group appointed 6 out of the 7 seats on the Board of Directors of Taihe Intelligent, and Taihe Intelligent announced on the Shanghai Stock Exchange that the Company has become controlling shareholder.

From December 18, 2024 to December 31, 2024, Taihe Intelligent contributed revenue of Nil and net profit of Nil of the Group, respectively. During the year ended December 31, 2024, Taihe Intelligent contributed revenue of approximately RMB534,565,000 and net profit of approximately RMB20,319,000, respectively, had the acquisition been completed as at January 1, 2024.

The fair value of acquired assets and liabilities at the acquisition date were as follows:

	As at December 18, 2024
	RMB'000
Assets acquired and liabilities recognized at the date of acquisition	
Cash and cash equivalents	250,523
Financial assets at FVTPL	361,494
Trade and notes receivables	164,070
Financial assets at FVTOCI	5,945
Inventories	169,688
Contract assets	8,848
Prepayments, other receivables and other assets	29,380
Property, plant and equipment	478,230
Right-of-use assets	194,017
Intangible assets	76,940
Investment properties	88,337
Investments in associates	11,561
Deferred tax assets	28,276
Trade and notes payables	(131,731)
Contract liabilities	(53,346)
Income tax payable	(1,414)
Other payables and accruals	(139,310)
Provisions	(1,967)
Deferred tax liabilities	(37,469)
Net identifiable assets acquired	1,502,072
Goodwill arising on acquisition:	
Consideration transferred	450,557
Plus: non-controlling interests	1,348,493
Less: fair value of net assets acquired	(1,502,072)
Goodwill arising on acquisition *(Note 21)*	296,978

	Year ended December 31, 2024
	RMB'000
Net cash outflow arising from acquisition	
Cash consideration	450,557
Less: cash and cash equivalents balances acquired	(250,523)
Less: consideration payable outstanding at December 31, 2024	(45,056)
Net cash outflow arising from the acquisition	154,978

Xu Dahong (許大紅), the former ultimate controlling party of Taihe Intelligent, has made a performance commitment on the net profit of Taihe Intelligent in the performance commitment period of 2024, 2025 and 2026. He guaranteed that the net profit achieved through the existing business during the performance commitment period will not be less than RMB20,000,000 per year. According to the review report issued by RSM China CPA LLP, Taihe Intelligent achieved a net profit attributable to the Company's equity holders, excluding adjustment item, of approximately RMB21,470,000 and RMB24,399,000 for the year ended December 31, 2024 and 2025. Consequently, the profit commitment for the year ended December 31, 2024 and 2025, has been fulfilled. The Group expects the profit commitment can be met for the remaining period.

44. DISPOSALS OF SUBSIDIARIES

The transactions relating to the disposal of subsidiaries during the Track Record Periods had no material impact on the Group's consolidated financial statements.

45. COMMITMENTS

At the end of each year for the reporting period, the Group's capital commitments contracted but not provided for in the Historical Financial Information were as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
– Property, plant and equipment	1,596,398	1,653,041	1,112,065
– Subscribed capital contribution	751,995	739,513	780,453
	2,348,393	2,392,554	1,892,518

46. RELATED PARTY TRANSACTIONS

The Group entered into the following related party transactions during the Track Record Period.

(a) Relationships with related parties

Name of related party	Relationship with the Group
Renzhuo Intelligent Technology Co., Ltd. (仁卓智能科技有限公司)	Hefei Renchuang Phase II Equity Investment LLP is the controlling shareholder of Renzhuo Intelligent Technology Co., Ltd.
Hefei Blue Point Digital Power Co., Ltd. (合肥藍點數字電源有限公司)	Hefei Renchuang Phase II Equity Investment LLP is the controlling shareholder of Hefei Blue Point Digital Power Co., Ltd.
Hefei Lingshang Technology Co., Ltd. (合肥零熵科技有限公司)	Hefei Renchuang Phase II Equity Investment LLP is the controlling shareholder of Hefei Lingshang Technology Co., Ltd.
AIGROW (Hangzhou) Technology Co., Ltd. (簡愛數智(杭州)科技有限公司)	Hefei Renchuang Phase II Equity Investment LLP is the controlling shareholder of AIGROW (Hangzhou) Technology Co., Ltd.
Nanjing Guangxian Technology Co., Ltd. (南京光獻科技有限公司)	Hefei Renchuang Phase II Equity Investment LLP is the controlling shareholder of Nanjing Guangxian Technology Co., Ltd.
Renjie Intelligent Technology Co., Ltd. (仁潔智能科技有限公司)	Hefei Renchuang Investment Management Center LLP is the largest shareholder of Renjie Intelligent Technology Co., Ltd.

Mr. Renxian Cao, chairman of the Company, holds 99.9975% shares of Hefei Renchuang Phase II Equity Investment LLP and 98.6562% shares of Hefei Renchuang Investment Management Center LLP as a limited partner.

Zhejiang Shangfeng Sungrow New Energy Co., Ltd. (浙江上峰陽光新能源有限公司)	Associate of Sungrow Renewables
Suixi Xinfeng New Energy Co., Ltd. (濉溪縣鑫風新能源有限公司)	Associate of Sungrow Renewables

Name of related party	Relationship with the Group
Guangdong Suikai Hengyang New Energy Co., Ltd. (廣東穗開恒陽新能源有限公司)	Associate of Sungrow Renewables
Anhui ZeroChange Renewable Power Co., Ltd. (安徽眾啟新能源有限公司)	Associate of Sungrow Renewables
Changde Lingyang New Energy Co., Ltd.(常德淩陽新能源有限公司)	Associate of Sungrow Renewables
Guangxi Gongcheng Huadian Sungrow New Energy Co., Ltd. (廣西恭城華電陽光新能源有限公司)	Associate of Sungrow Renewables
Hefei Yingtesairui Industrial Intelligent Technology Co., Ltd. (合肥英特賽瑞工業智能科技有限公司)	Associate of Sungrow Renewables
Hefei Tanrui Technology Co., Ltd. (合肥碳睿科技有限公司)	Associate of the Company

(b) Transactions with related parties

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Sales transactions			
Guangdong Suikai Hengyang New Energy Co., Ltd. *(Note (a))*	237,487	308,486	404,573
Changde Lingyang New Energy Co., Ltd.	39,636	452,298	92,867
Guangxi Gongcheng Huadian Sungrow New Energy Co., Ltd.	–	–	76,289
Anhui ZeroChange Renewable Power Co., Ltd.	188,753	136,075	56,606
Renjie Intelligent Technology Co., Ltd.	4,187	8,495	7,012
Renzhuo Intelligent Technology Co., Ltd.	617	1,924	2,774
Zhejiang Shangfeng New Energy Co., Ltd.	14,508	1,368	2,070
Hefei Blue Point Digital Power Co., Ltd.	3,378	5,991	1,770
Nanjing Guangxian Technology Co., Ltd. *(Note (b))*	–	966	1,395
Hefei Lingshang Technology Co., Ltd. *(Note (b))*	–	883	956
Hefei Tanrui Technology Co., Ltd. *(Note (b))*	–	4	101
AIGROW (Hangzhou) Technology Co., Ltd. *(Note (b))*	–	–	73
Hefei Yingtesairui Industrial Intelligent Technology Co., Ltd.	–	–	58
Suixi Xinfeng New Energy Co., Ltd. *(Note (a))*	5,347	–	–
	493,913	916,490	646,544

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Procurement transactions			
Renzhuo Intelligent Technology Co., Ltd.	265,995	133,822	57,108
Hefei Blue Point Digital Power Co., Ltd.	49,271	70,719	39,436
Hefei Lingshang Technology Co., Ltd.	–	213	5,317
Renjie Intelligent Technology Co., Ltd.	6,366	1,438	4,097
Nanjing Guangxian Technology Co., Ltd.	–	–	1,517
Hefei Tanrui Technology Co., Ltd.	–		1,015
AIGROW (Hangzhou) Technology Co., Ltd.	–	481	998
	321,632	206,673	109,488
Lease expense			
Renjie Intelligent Technology Co., Ltd.	605	–	–
Rental income			
Hefei Lingshang Technology Co., Ltd.	–	1,034	3,600
Hefei Blue Point Digital Power Co., Ltd.	278	387	2,924
Renzhuo Intelligent Technology Co., Ltd.	–	3,342	1,590
Nanjing Guangxian Technology Co., Ltd.	–	331	1,083
AIGROW (Hangzhou) Technology Co., Ltd.	–	–	166
Renjie Intelligent Technology Co., Ltd.	–	106	107
Hefei Tanrui Technology Co., Ltd.	–	36	–
	278	5,236	9,470

(c) Balances with related parties

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade and notes receivables			
Guangdong Suikai Hengyang New Energy Co., Ltd.	50,832	101,522	90,468
Changde Lingyang New Energy Co., Ltd.	–	21,474	55,368
Anhui ZeroChange Renewable Power Co., Ltd.	236,214	101,694	53,909
Guangxi Gongcheng Huadian Sungrow New Energy Co., Ltd.	–	–	33,586
Hefei Blue Point Digital Power Co., Ltd.	267	4,750	6,018
Renzhuo Intelligent Technology Co., Ltd.	673	3,302	4,122
Renjie Intelligent Technology Co., Ltd.	9,974	5,047	3,532
Nanjing Guangxian Technology Co., Ltd.	–	149	908
Hefei Lingshang Technology Co., Ltd.	–	175	647
Zhejiang Shangfeng New Energy Co., Ltd.	2,304	2,979	259
Hefei Tanrui Technology Co., Ltd.	–	11	102
Suixi Xinfeng New Energy Co., Ltd.	8,284	7,848	–
Hefei Yingtesairui Industrial Intelligent Technology Co., Ltd.	–	1,414	–
	308,548	250,365	248,919

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Prepayments, other receivables and other assets			
Anhui ZeroChange Renewable Power Co., Ltd.	–	6,299	3,228
Guangxi Gongcheng Huadian Sungrow New Energy Co., Ltd.	–	–	1,819
Renzhuo Intelligent Technology Co., Ltd.	2,646	–	236
Zhejiang Shangfeng New Energy Co., Ltd.	–	95	90
Hefei Blue Point Digital Power Co., Ltd.	870	208	–
Guangdong Suikai Hengyang New Energy Co., Ltd.	181	–	–
	3,697	6,602	5,373

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade and notes payables			
Hefei Blue Point Digital Power Co., Ltd.	9,746	26,541	5,233
Hefei Lingshang Technology Co., Ltd.	–	231	4,951
Renjie Intelligent Technology Co., Ltd.	79	305	3,285
Renzhuo Intelligent Technology Co., Ltd.	53,605	55,980	1,292
Hefei Tanrui Technology Co., Ltd.	–	–	400
Nanjing Guangxian Technology Co., Ltd.	–	–	347
AIGROW (Hangzhou) Technology Co., Ltd.	–	–	212
	63,430	83,057	15,720
Contract liabilities			
Guangdong Suikai Hengyang New Energy Co., Ltd.	5,405	2,796	2,254
Nanjing Guangxian Technology Co., Ltd.	–	–	231
Hefei Blue Point Digital Power Co., Ltd.	–	159	45
Anhui ZeroChange Renewable Power Co., Ltd.	24,441	78	17
Zhejiang Shangfeng New Energy Co., Ltd.	–	61	–
Changde Lingyang New Energy Co., Ltd.	50,782	–	–
Renzhuo Intelligent Technology Co., Ltd.	198	–	–
	80,826	3,094	2,547
Other payables and accruals			
Hefei Lingshang Technology Co., Ltd.	–	231	231
Renzhuo Intelligent Technology Co., Ltd.	–	80	146
Nanjing Guangxian Technology Co., Ltd.	–	102	102
Hefei Blue Point Digital Power Co., Ltd.	–	–	100
Anhui ZeroChange Renewable Power Co., Ltd.	5,000	–	–
Renjie Intelligent Technology Co., Ltd.	850	–	–
	5,850	413	579

Notes:

(a) The company became an associate of Sungrow Renewables in 2023.

(b) The company was incorporated in 2023.

(c) As at December 31, 2023, 2024 and 2025, the balances due from related parties and due to related parties were of trade nature.

(d) Compensation of key management personnel of the Group

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fees	247	240	240
Salaries, allowances, discretionary bonuses and benefits in kind	63,327	67,356	65,404
Retirement scheme contributions	595	612	610
Share-based payment expenses	15,457	39,157	34,496
Incentive fund	–	–	280,000
Total compensation paid to key management personnel	79,626	107,365	380,750

47. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each financial instrument as at the end of each year/period for the reporting periods are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at amortized cost			
– Trade and notes receivables	22,165,400	28,826,041	25,038,279
– Other receivables (excluding tax refund)	1,405,340	1,759,261	1,822,087
– Restricted bank deposits	1,763,595	2,082,212	832,849
– Cash and cash equivalents	16,267,022	17,717,234	21,997,964
Financial assets at FVTPL			
– Bank WMPs and structured deposits	1,694,168	9,829,664	10,480,153
– Unlisted equity instruments	877,367	1,150,372	1,274,619
– Listed equity instruments	–	–	132,205
– Forward exchange contracts	531	–	8,450
Financial assets at FVTOCI			
– Notes receivables measured at FVTOCI	772,690	1,167,009	1,782,439
– Transferable large denomination certificates of deposits	–	190,319	198,614
	44,946,113	62,722,112	63,567,659
Financial liabilities			
Financial liabilities measured at amortized cost			
– Trade and notes payables	28,485,916	36,757,158	36,635,835
– Other payables and accruals (excluding payroll and welfare payables, other tax payables, deferred income and deposits from energy storage service systems projects)	2,309,715	2,437,783	2,331,058
– Borrowings	8,425,451	13,799,866	6,757,557
– Lease liabilities	405,007	374,599	435,492
– Redemption liabilities	–	867,400	881,720

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities at FVTPL			
– Forward exchange contracts	–	–	–
– Liabilities arising from a forward share purchase agreement	–	408,604	190,782
– Redemption liabilities to other investors of structured entities	39,610	41,846	40,665
	39,665,699	54,687,256	47,273,109

48. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value in the consolidated statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3: significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorized in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The table below analyses the Group's financial instruments carried at fair value as at December 31, 2023, 2024 and 2025 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

– Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

– Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and

– Inputs for the asset or liability that are not based on observable market data (that is, significant unobservable inputs) (Level 3).

(a) Fair value hierarchy

As at December 31, 2023, 2024 and 2025, the financial instruments measured at fair value on a recurring basis by the above three levels were analyzed below:

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
Financial assets				
Financial assets at FVTPL				
– Bank WMPs and structured deposits	–	1,694,168	–	1,694,168
– Unlisted equity investments	–	–	877,367	877,367
– Forward exchange contracts	–	531	–	531
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	–	–	772,690	772,690
	–	1,694,699	1,650,057	3,344,756

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities				
Financial liabilities at FVTPL				
– Redemption liabilities to other investors of structured entities	–	–	39,610	39,610
As at December 31, 2024				
Financial assets				
Financial assets at FVTPL				
– Bank WMPs and structured deposits	–	9,829,664	–	9,829,664
– Unlisted equity investments	–	–	1,150,372	1,150,372
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	–	–	1,167,009	1,167,009
– Transferable large denomination certificates of deposit	–	190,319	–	190,319
	–	10,019,983	2,317,381	12,337,364
Financial liabilities				
Financial liabilities at FVTPL				
– Liabilities arising from a forward share purchase agreement	–	–	408,604	408,604
– Redemption liabilities to other investors of structured entities	–	–	41,846	41,846
	–	–	450,450	450,450
As at December 31, 2025				
Financial assets				
Financial assets at FVTPL				
– Bank WMPs and structured deposits	–	10,480,153	–	10,480,153
– Unlisted equity investments	–	–	1,274,619	1,274,619
– Listed equity investments	18,757	–	113,448	132,205
– Forward exchange contract	–	8,450	–	8,450
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	–	–	1,782,439	1,782,439
– Transferable large denomination certificates of deposit	–	198,614	–	198,614
	18,757	10,687,217	3,170,506	13,876,480
Financial liabilities				
Financial liabilities at FVTPL				
– Liabilities arising from a forward share purchase agreement	–	–	190,782	190,782
– Redemption liabilities to other investors of structured entities	–	–	40,665	40,665
	–	–	231,447	231,447

(b) Valuation techniques used to determine fair values

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly discounted cash flow approach and market approach. The inputs of the valuation technique mainly include expected rate of return, net assets value, recent transaction price and discount rate.

Assets and liabilities subject to Level 2 fair value measurement were mainly included bank wealth management products, structured deposits, forward exchange contracts and transferable large denomination certificates of deposits. These assets are valued using valuation techniques to determine their fair value. The valuation techniques and key input information of fair value measurements as at December 31, 2023, 2024 and 2025 for Level 2 are as follows:

	As at December 31,				
	Fair value hierarchy	2023	2024	2025	Valuation technique and key input(s)
		RMB'000	*RMB'000*	*RMB'000*	
– Bank WMPs and structured deposits.	Level 2	1,694,168	9,829,664	10,480,153	Quoted value from banks and financial institutions based on expected return with reference to underlying investment
– Forward exchange contracts	Level 2	531	–	8,450	Discounted cash flow based on the contracted exchange rate and the forward rate
– Transferable large denomination certificates of deposits.	Level 2	–	190,319	198,614	Quoted value from banks and financial institutions based on expected return with reference to underlying investment

During the Track Record Period, there was no transfer between Level 1 and Level 2 and into or out of Level 3.

The quantitative information of fair value measurements as at December 31, 2023, 2024 and 2025 for Level 3 is as follows:

		As at December 31,				
	Fair value hierarchy	2023	2024	2025	Valuation technique and key input(s)	Impact of significant unobservable input(s)
		RMB'000	*RMB'000*	*RMB'000*		
Financial assets at FVTPL						
– Unlisted equity investments . .	Level 3	596,756	714,015	849,524	Net assets value *(Note (i))*	N/A
		280,611	436,357	425,095	Recent transaction price *(Note (ii))*	N/A
–List equity investment	Level 3	–	–	113,448	Discount for lack of marketability (DLOM)	The higher the DLOM, the lower the fair value *(Note (iii))*
Financial assets at FVTOCI						
– Notes receivables measured at FVTOCI	Level 3	772,690	1,167,009	1,782,439	Discount rate	The higher the discount rate, the lower the fair value *(Note (iv))*
Financial liabilities at FVTPL						
– Liabilities arising from a forward share purchase agreement	Level 3	–	408,604	190,782	Option model based on expected volatility	The higher the expected volatility, the higher the fair value *(Note (v))*
– Liabilities to fund investors . .	Level 3	39,610	41,846	40,665	Net assets value *(Note (i))*	N/A

Notes:

(i) The Group determines the fair value as at the reporting date based on the reported net asset values.

(ii) The Group determines the fair value as recent transaction price.

(iii) As at December 31, 2025, it is estimated that with all other variables held constant, an increase/decrease in change of DLOM by 5% would have decreased/increased the fair value by RMB849,000/RMB849,000.

(iv) As at December 31, 2023, 2024 and 2025, it is estimated that with all other variables held constant, an increase/decrease in change of discount rate by 5% would have decreased/increased the fair value by RMB340,000/RMB340,000, RMB324,000/RMB324,000 and RMB1,051,000/ RMB1,051,000 respectively.

(v) As at December 31, 2024 and 2025, it is estimated that with all other variables held constant, an increase/decrease in change of expected volatility by 5% would have increased/decreased the fair value by RMB124,000/RMB215,000 and RMB142,000/RMB93,000 respectively.

(c) Fair value of financial assets and financial liabilities that are recorded at amortised cost

The Group consider that the carrying amounts of the Group's financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate their fair values at the end of each reporting period.

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial instruments of the Group mainly comprise cash and cash equivalents, restricted bank deposits, trade receivables and other receivables, the main purpose of which is to support the operations of the Group. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including principally forward foreign exchange settlement and sale contract. The purpose is to manage the foreign currency risk arising from the Group's operations.

The risks of the Group's financial instruments are mainly arising from foreign currency risk, price risk, interest rate risk, credit risk and liquidity risk. The Group review and agree policies for managing each of these risks and they are summarized below.

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at December 31, 2023, 2024 and 2025, the Group's major monetary assets and liabilities exposed to foreign currency risk are listed below:

	USD	EUR
	RMB'000	*RMB'000*
As at December 31, 2023		
Assets	4,719,198	1,481,642
Liabilities	406,507	244,737
Net exposure	4,312,691	1,236,905
As at December 31, 2024		
Assets	8,676,672	1,573,964
Liabilities	491,765	95,170
Net exposure	8,184,907	1,478,794
As at December 31, 2025		
Assets	11,434,756	3,709,287
Liabilities	1,966,354	77,843
Net exposure	9,468,402	3,631,444

Sensitivity analysis

As shown in the table above, the Group is primarily exposed to changes in USD and EUR exchange rates. The sensitivity of profit before income tax to changes in the exchange rates arising from USD and EUR denominated financial instruments is as below:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
USD exchange rate			
– Increase 5%	215,635	409,245	473,420
– Decrease 5%	(215,635)	(409,245)	(473,420)
EUR exchange rate			
– Increase 5%	61,845	73,940	181,572
– Decrease 5%	(61,845)	(73,940)	(181,572)

Security price risk

The Group is exposed to equity price risk mainly arising from investments classified as financial assets at FVTPL (Note 22) and financial liabilities at FVTPL (Note 35). Such investments are held either for strategic purposes, or to achieve investment yield and balancing the Group's liquidity level simultaneously. Each investment is managed by senior management of the Group on a case-by-case basis.

Sensitivity analysis is performed by management to assess the exposure of the Group's financial results to equity price risk of FVTPL at the end of each reporting period. If prices of the respective security instruments held by the Group had increased/decreased by 5% with all other variables held constant as at December 31, 2023, 2024 and 2025, the profit before income tax would increase/decrease approximately RMB41,888,000, RMB34,996,000, and RMB58,769,000, respectively.

Interest rate risk

The Group's interest rate risk primarily arises from interest-bearing borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates, and lease liabilities bearing fixed rates expose the Group to fair value interest rate risk.

The Group has been monitoring the level of interest rates. The increase in the interest rates will increase the interest costs of borrowings at variable rates, which will further impact the performance of the Group.

The following tables list out the interest rate profiles of the Group's variables interest-bearing financial instruments as at December 31, 2023, 2024 and 2025:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Floating rate instruments			
– Borrowings	5,701,650	6,469,145	3,353,957

If interest rates of floating rate instruments had been 100 basis points higher/lower with all other variables held constant, the profit before income tax would be lower/higher approximately RMB57,017,000, RMB64,691,000 and RMB33,540,000 for the years ended at December 31, 2023, 2024 and 2025, respectively.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities.

The Group's maximum exposure to credit risk is represented by cash and cash equivalents, restricted bank deposits, trade receivables, notes receivables at amortized cost and at FVTOCI, other receivables and contract assets, as disclosed in Note 49 to the Historical Financial Information. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

As at December 31, 2023, 2024 and 2025, The Group have no credit risk other than financial assets whose carrying amounts best represent the maximum exposure to credit risk.

(a) Cash and cash equivalents and restricted bank deposits

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparties have a strong capacity to meet their contractual cash flow obligations in the near term. Cash and cash equivalents, time deposits and restricted bank deposits are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

(b) Trade receivables, long-term trade receivables, notes receivables at amortized cost and at FVTOCI and contract assets

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected for all trade receivables, long-term trade receivables, notes receivables and contract assets. To measure the expected credit losses, trade receivables, long-term trade receivables, notes receivables and contract assets have been grouped based on shared credit risk characteristics and aging.

The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales and probability of default of counter parties on an ongoing basis throughout each year for the Track Record Period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product, inflation rates, and unemployment rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Individually impaired trade receivables, long-term trade receivables, notes receivables and contract assets are related to customers who are experiencing unexpected economic difficulties. The Group expects that the amounts of the receivables will partially or entirely have difficulty to be recovered and has recognized impairment losses.

The Group's trade receivables and contract assets as described in Note 24 and Note 25 mainly represented receivables received from the sales of products to customers.

Trade receivables

Except for receivables assessed for credit risk on an individual basis, the Group groups its receivables into different portfolios based on common credit risk characteristics as below:

Group 1: trade receivables from customers except for intelligent detection and sorting, and intelligent packaging operations

Group 2: trade receivables from intelligent detection and sorting, and intelligent packaging operations

As at December 31, 2023, 2024 and 2025, the allowance for impairment for the trade receivables were determined as follows:

	Gross carrying amount	Allowance for impairment	Average expected loss rate
	RMB'000	*RMB'000*	
As at December 31, 2023			
Assessed based on group 1	22,852,337	(1,754,828)	7.68%
Assessed individually	246,710	(246,710)	100.00%
	23,099,047	(2,001,538)	8.67%
As at December 31, 2024			
Assessed based on group 1	30,138,273	(2,662,624)	8.83%
Assessed based on group 2	219,809	(55,879)	25.42%
Assessed individually	165,315	(164,658)	99.60%
	30,523,397	(2,883,161)	9.45%
As at December 31, 2025			
Assessed based on group 1	25,865,687	(2,882,829)	11.15%
Assessed based on group 2	219,466	(45,005)	20.51%
Assessed individually	825,450	(483,210)	58.54%
	26,910,603	(3,411,044)	12.68%

Long-term trade receivables

As at December 31, 2023, 2024 and 2025, the allowance for impairment for the long-term trade receivables were determined as follows:

	Gross carrying amount	Allowance for impairment	Average expected loss rate
	RMB'000	*RMB'000*	
As at December 31, 2023			
Long-term trade receivables	377,000	(2,831)	0.75%
As at December 31, 2024			
Long-term trade receivables	343,000	(2,829)	0.82%
As at December 31, 2025			
Long-term trade receivables	307,000	(1,900)	0.62%

Notes receivables

The Group measured provisions for impairment of notes receivables based on the lifetime ECL and assessed that there was no significant credit risk associated with its bank acceptance notes issued by large-size banks as the Group did not expect that there would be any significant losses from non-performance by these reputable banks. For the commercial acceptance notes, which are usually settled within 6 months to 1 year from the respective issuance date. As at December 31, 2023, 2024 and 2025, the allowance for impairment for the notes receivables were determined as follows:

	Gross carrying amount	Allowance for impairment	Average expected loss rate
	RMB'000	*RMB'000*	
As at December 31, 2023			
Commercial acceptance notes	61,129	(4,413)	7.22%
As at December 31, 2024			
Commercial acceptance notes	70,647	(5,391)	7.63%
As at December 31, 2025			
Commercial acceptance notes	94,644	(6,897)	7.29%

Contract assets

For contract assets, the Group measures the loss provision based on the lifetime ECL regardless of whether there exists a significant financing component. Except for contract assets assessed for credit risk on an individual basis, the Group groups its contract assets into different portfolios based on common credit risk characteristics as below:

Group 1: work-in-progress assets unbilled

Group 2: retention receivables under retention period

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

	Gross carrying amount	Allowance for impairment	Average expected loss rate
	RMB'000	*RMB'000*	
As at December 31, 2023			
Assessed based on group 1	684,421	(34,221)	5.00%
Assessed based on group 2	2,131,321	(125,163)	5.87%
	2,815,742	(159,384)	5.66%
As at December 31, 2024			
Assessed based on group 1	917,455	(45,873)	5.00%
Assessed based on group 2	2,428,060	(192,400)	7.92%
Assessed individually	5,880	(5,880)	100.00%
	3,351,395	(244,153)	7.29%
As at December 31, 2025			
Assessed based on group 1	927,952	(46,398)	5.00%
Assessed based on group 2	2,742,414	(323,494)	11.80%
Assessed individually	14,891	(14,891)	100.00%
	3,685,257	(384,783)	10.44%

(c) Other receivables

Over the term of other receivables, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. To assess whether there is a significant increase in credit risk in other receivables, the Group compares the risk of a default occurring on the financial assets at the end of each year for the Track Record Period with the risk of default at the date of initial recognition. It considers available, reasonable, supportive forward-looking information. Especially, the following indicators are incorporated:

- external credit rating of the counterparty (as far as available).
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- actual or expected significant changes in the operating results of the counterparty; and
- significant expected changes in the performance and behavior of the counterparty, including changes in the payment status of the counterparty.

Based on historical experiences and consideration of forward-looking information, other receivables from related parties were settled within 12 months after upon maturity hence the ECL is minimal. The impairment on other receivables as stated in Note 26 to the Historical Financial Information were accounted as amortized cost is measured as either 12-month ECL or lifetime ECL. On such basis, the following table sets forth the impairment for other receivables as at December 31, 2023, 2024 and 2025:

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
As at December 31, 2023				
Expected loss rate	14.73%	–	100.00%	15.02%
Gross carrying amount (RMB'000)	1,652,268	–	5,643	1,657,911
Allowance for impairment (RMB'000)	(243,395)	–	(5,643)	(249,038)
As at December 31, 2024				
Expected loss rate	18.62%	–	100.00%	18.71%
Gross carrying amount (RMB'000)	2,163,426	–	2,443	2,165,869
Allowance for impairment (RMB'000)	(402,739)	–	(2,443)	(405,182)
As at December 31, 2025				
Expected loss rate	22.10%	–	100.00%	22.82%
Gross carrying amount (RMB'000)	2,341,014	–	21,966	2,362,980
Allowance for impairment (RMB'000)	(517,298)	–	(21,966)	(539,264)

Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate balances of such. The table below analyses the Group's financial liabilities by relevant maturity groupings based on the remaining period since the end of each year for the Track Record Period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows amount of the financial liabilities to be delivered.

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023					
Trade and notes payables	28,485,916	–	–	–	28,485,916
Other payables and accruals (excluding payroll and welfare payables, other tax payables and deferred income)	2,309,715	–	–	–	2,309,715
Borrowings	4,208,085	2,120,371	1,018,227	1,717,198	9,063,881
Lease liabilities	103,489	53,378	120,812	283,393	561,072
Financial liabilities at FVTPL	39,610	–	–	–	39,610
	35,146,815	2,173,749	1,139,039	2,000,591	40,460,194

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024					
Trade and notes payables	36,757,158	–	–	–	36,757,158
Other payables and accruals (excluding payroll and welfare payables, other tax payables, deferred income and deposits from energy storage service systems projects)	2,433,029	–	4,754	–	2,437,783
Borrowings	6,404,695	2,768,951	1,820,622	4,274,811	15,269,079
Lease liabilities	79,623	63,671	123,501	222,522	489,317
Redemption liabilities	–	–	923,230	–	923,230
Financial liabilities at FVTPL	–	408,604	41,846	–	450,450
	45,674,505	3,241,226	2,913,953	4,497,333	56,327,017
As at December 31, 2025					
Trade and notes payables	36,635,835	–	–	–	36,635,835
Other payables and accruals (excluding payroll and welfare payables, other tax payables, deferred income and deposits from energy storage service systems projects)	2,331,058	–	–	–	2,331,058
Borrowings	2,929,164	551,695	1,608,883	2,721,549	7,811,291
Lease liabilities	84,418	86,511	132,916	244,453	548,298
Redemption liabilities	–	912,140	–	–	912,140
Financial liabilities at FVTPL	190,782	–	40,665	–	231,447
	42,171,257	1,550,346	1,782,464	2,966,002	48,470,069

Capital management

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

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the subject assets. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to the shareholders or return capital to the shareholders. The Group is not subject to any external capital requirements. During the Track Record Period, there are no changes in capital management objectives, policies or procedures.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total assets	82,876,505	115,073,771	118,679,392
Total liabilities	53,422,009	74,875,023	68,907,525
Liability-to-asset ratio	64.46%	65.07%	58.06%

As of December 31, 2023, 2024 and 2025, the Group has no significant outstanding litigation or contingent liability that in the opinion of the directors of the Company would have material impact to the Group's financial position.

50 FINANCIAL GUARANTEE CONTRACTS

As at December 31, 2023, 2024 and 2025, the total amount of guarantees of the Group given to banks and other financial institutions of approximately RMB537,059,000, RMB453,365,000 and RMB367,341,000, which were guarantees in respect of credit facilities granted to eligible household customers or industrial and commercial distributed business customers. The fair value of these financial guarantees, as at dates of initial recognition, were considered insignificant as at dates of initial recognition and the management has assessed the credit risk as insignificant with no loss allowance required at the end of each reporting period.

51. CONTINGENT LIABILITY

As at December 31, 2023, 2024 and 2025, there were no significant contingencies items for the Group and the Company.

52. EVENT AFTER THE END OF THE REPORTING PERIOD

The final dividends of RMB6.90 per 10 shares (tax inclusive) totaling approximately RMB1,416,448,000 in respect of the year ended December 31, 2025 were approved by the board of directors of the Company on March 31, 2026. The Group had not recognized such dividends as a liability as at December 31, 2025.

Other than the events disclosed above, the Group has no other significant event subsequent to December 31, 2025.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to December 31, 2025.