新特能源

XINTE ENERGY CO., LTD.
新特能源股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 1799)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2024, the Group's operating revenue amounted to RMB21,212.98 million, representing a decrease of 31.02% over the corresponding period of last year.
- For the year ended 31 December 2024, the Group's total loss amounted to RMB4,079.37 million, as compared to the total profit of RMB6,104.68 million for the corresponding period of last year.
- For the year ended 31 December 2024, the Group's net loss attributable to shareholders of the listed company amounted to RMB3,904.88 million, as compared to the net profit attributable to shareholders of the listed company of RMB4,345.03 million for the corresponding period of last year.
- For the year ended 31 December 2024, the basic loss per share amounted to RMB2.73, as compared to the basic earnings per share of RMB3.04 for the corresponding period of last year.
- The Board did not recommend the declaration of a final dividend for the year ended 31 December 2024.

The board of directors (the "**Board**") of Xinte Energy Co., Ltd. (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024 (the "**Reporting Period**"), together with comparative figures for the corresponding period in 2023. The results were prepared in accordance with the Accounting Standards for Business Enterprises of the People's Republic of China ("**China**" or "**PRC**") (the "**CASBE**") and the disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

(Unless otherwise specified, the following information disclosures are based on the audited consolidated financial statements prepared in accordance with the CASBE. All amounts are denominated in Renminbi ("**RMB**").)

CONSOLIDATED BALANCE SHEET

Items	*Notes*	**31 December 2024**	31 December 2023
Current assets:			
Monetary capital		**11,663,084,839.76**	13,501,472,852.29
Clearing settlement funds		**—**	—
Loans to other banks		**—**	—
Financial assets held for trading		**78,940,678.80**	52,454,608.34
Derivative financial assets		**—**	—
Notes receivable	*4*	**1,000,881,742.08**	619,108,308.08
Accounts receivable	*5*	**5,058,443,314.06**	4,901,623,717.01
Receivables financing	*6*	**1,151,997,262.66**	4,889,382,544.41
Prepayments		**506,194,611.41**	453,045,827.78
Premiums receivable		**—**	—
Reinsurance accounts receivable		**—**	—
Reinsurance contract reserve receivable		**—**	—
Other receivables		**427,546,014.72**	333,110,784.29
Including: Interests receivable		**—**	
Dividends receivable		**106,296,344.58**	70,000,542.52
Financial assets held under resale agreements		**—**	—
Inventories		**4,725,097,705.71**	3,657,527,385.32
Contract assets		**2,369,842,664.10**	1,697,192,056.77
Assets held for sale		**—**	—
Non-current assets due within one year		**—**	—
Other current assets		**1,650,806,253.10**	1,415,476,864.31
Total current assets		**28,632,835,086.40**	31,520,394,948.60

CONSOLIDATED BALANCE SHEET *(Continued)*

Items	*Notes*	**31 December 2024**	31 December 2023
Non-current assets:			
Loans and advances		**—**	—
Debt investments		**—**	—
Other debt investments		**—**	—
Long-term receivables		**—**	—
Long-term equity investments		**873,273,826.17**	420,038,496.06
Other equity instrument investments		**121,824,188.20**	250,999,977.52
Other non-current financial assets		**—**	—
Investment properties		**—**	—
Fixed assets		**41,000,088,297.20**	44,297,463,724.09
Construction in progress		**5,124,457,555.11**	4,056,118,522.92
Productive biological assets		**—**	—
Oil and gas assets		**—**	—
Right-of-use assets		**309,812,191.72**	507,547,367.95
Intangible assets		**1,452,357,894.94**	1,403,620,399.79
Development expenses		**—**	—
Goodwill		**—**	—
Long-term deferred expenses		**32,900,747.35**	39,219,161.25
Deferred income tax assets		**1,343,338,959.91**	771,406,245.30
Other non-current assets		**2,789,697,449.76**	2,662,647,922.02
Total non-current assets		**53,047,751,110.36**	54,409,061,816.90
Total assets		**81,680,586,196.76**	85,929,456,765.50

CONSOLIDATED BALANCE SHEET *(Continued)*

Items	*Notes*	**31 December 2024**	31 December 2023
Current liabilities:			
Short-term borrowings	*7*	**610,425,093.20**	2,550,000.00
Borrowing from central bank		**—**	—
Loans from other banks		**—**	—
Financial liabilities held for trading		**47,711,848.71**	35,774,325.96
Derivative financial liabilities		**—**	—
Notes payable	*8*	**7,569,903,513.31**	7,450,380,250.01
Accounts payable	*9*	**10,870,449,359.21**	9,869,801,942.81
Advances received		**—**	—
Contract liabilities		**2,164,684,531.16**	2,271,057,038.71
Proceeds from sale of repurchase financial assets		**—**	—
Deposits from clients and placements from other banks		**—**	—
Deposit for agency security transaction		**—**	—
Deposit for agency security underwriting		**—**	—
Staff remuneration payables		**792,851,622.02**	637,628,566.85
Taxes payable		**429,038,910.22**	234,513,314.48
Other payables		**440,617,877.53**	252,984,786.55
Including: Interests payable		**—**	—
Dividends payable		**—**	—
Handling fees and commission payable		**—**	—
Reinsurance accounts payable		**—**	—
Liabilities held for sale		**—**	—
Non-current liabilities due within one year		**2,507,216,231.35**	2,424,803,710.26
Other current liabilities		**258,592,958.76**	265,789,896.78
Total current liabilities		**25,691,491,945.47**	23,445,283,832.41

CONSOLIDATED BALANCE SHEET ***(Continued)***

Items	*Notes*	31 December 2024	31 December 2023
Non-current liabilities:			
Provision for insurance contracts		**—**	—
Long-term borrowings	*7*	**19,072,968,954.91**	19,815,564,218.10
Bonds payable		**—**	—
Including: Preference shares		**—**	—
Perpetual bonds		**—**	—
Lease liabilities		**255,392,622.22**	276,492,947.06
Long-term payables		**—**	—
Long-term staff remuneration payables		**—**	—
Accrued liabilities		**260,686,999.54**	215,862,873.09
Deferred income		**561,491,229.27**	495,472,033.59
Deferred income tax liabilities		**460,969,368.31**	448,919,894.45
Other non-current liabilities		**83,859,832.43**	—
Total non-current liabilities		**20,695,369,006.68**	21,252,311,966.29
Total liabilities		**46,386,860,952.15**	44,697,595,798.70

CONSOLIDATED BALANCE SHEET *(Continued)*

Items	*Notes*	**31 December 2024**	31 December 2023
Shareholders' equity:			
Share capital		**1,430,000,000.00**	1,430,000,000.00
Other equity instruments		**—**	—
Including: Preference shares		**—**	—
Perpetual bonds		**—**	—
Capital reserve		**9,833,949,220.16**	9,436,990,755.09
Less: Treasury shares		**—**	—
Other comprehensive income		**-135,337,283.02**	-4,045,436.00
Special reserve		**41,180,844.93**	21,664,476.17
Surplus reserve		**981,955,892.67**	981,955,892.67
General risk reserve		**—**	—
Undistributed profit		**20,641,591,615.72**	24,546,471,052.21
Total equity attributable to the shareholders of the parent company		**32,793,340,290.46**	36,413,036,740.14
Non-controlling interest		**2,500,384,954.15**	4,818,824,226.66
Total shareholders' equity		**35,293,725,244.61**	41,231,860,966.80
Total liabilities and shareholders' equity		**81,680,586,196.76**	85,929,456,765.50

CONSOLIDATED INCOME STATEMENT

Items	Notes	2024	2023 (Adjusted)
I. Total operating revenue		**21,212,979,955.79**	30,751,795,719.24
Including: Operating revenue	10	**21,212,979,955.79**	30,751,795,719.24
Interest income		—	—
Premium earned		—	—
Handling fees and commission income		—	—
II. Total operating cost		**22,863,665,407.91**	23,312,380,994.84
Including: Operating cost	10	**19,851,623,116.66**	20,633,795,797.24
Interest expenses		—	—
Handling fees and commission expenses		—	—
Surrender value		—	—
Net payment of insurance claims		—	—
Net provision of insurance liability reserve		—	—
Premium bonus expenses		—	—
Reinsurance expenses		—	—
Taxes and surcharges		**179,475,029.43**	240,407,398.75
Selling expenses		**685,609,442.66**	567,632,635.84
Administrative expenses		**1,178,300,770.72**	987,715,112.10
R&D expenses		**367,025,868.06**	274,030,090.28
Financial expenses		**601,631,180.38**	608,799,960.63
Including: Interest expenses		**711,250,981.25**	733,188,991.35
Interest income		**145,390,956.03**	145,122,268.50
Add: Other revenue		**157,606,266.89**	307,839,748.85
Investment income (loss is represented by "-")		**767,342,960.72**	-6,746,124.01
Including: Investment income from associates and joint ventures		**65,237,228.68**	79,411,549.81
Gains from derecognition of financial assets measured at amortized cost		—	—
Gains from foreign exchange (loss is represented by "-")		—	—

CONSOLIDATED INCOME STATEMENT *(Continued)*

Items		Notes	2024	2023 (Adjusted)
	Gains from net exposure to hedging (loss is represented by "-")		**—**	—
	Gain on changes in fair value (loss is represented by "-")		**-45,751,031.20**	-30,113,864.26
	Impairment loss of credit (loss is represented by "-")		**5,878,262.06**	-76,098,712.54
	Impairment loss of assets (loss is represented by "-")		**-3,415,979,490.95**	-1,526,147,119.16
	Gains from disposal of assets (loss is represented by "-")		**11,122,289.20**	-38,675,254.77
III.	**Operating profit (loss is represented by "-")**		**-4,170,466,195.40**	6,069,473,398.51
	Add: Non-operating revenue		**100,714,637.33**	61,238,243.84
	Less: Non-operating expenses		**9,620,540.53**	26,033,116.06
IV.	**Total profit (total loss is represented by "-")**		**-4,079,372,098.60**	6,104,678,526.29
	Less: Income tax expense	*11*	**-35,634,936.71**	987,154,864.69
V.	**Net profit (net loss is represented by "-")**		**-4,043,737,161.89**	5,117,523,661.60
(I)	**Classified by continuity of operations**			
	1. Net profit from continuing operations (net loss is represented by "-")		**-4,043,737,161.89**	5,117,523,661.60
	2. Net profit from discontinued operation (net loss is represented by "-")		**—**	—

CONSOLIDATED INCOME STATEMENT *(Continued)*

Items		*Notes*	**2024**	2023 *(Adjusted)*
(II)	**Classified by ownership**			
	1. Net profit attributable to owners of the parent company (net loss is represented by "-")		**-3,904,879,436.49**	4,345,034,528.79
	2. Profit or loss attributable to non-controlling interests (net loss is represented by "-")		**-138,857,725.40**	772,489,132.81
VI.	**Net other comprehensive income after tax**		**-131,366,087.42**	-244,767.34
	Net other comprehensive income after tax attributable to owners of the parent company		**-131,291,847.02**	-185,420.70
	(I) Other comprehensive income not reclassified to profit or loss		**-129,175,789.32**	—
	1. Changes arising on remeasurement of defined benefit plans		**—**	—
	2. Other comprehensive income accounted for using the equity method that cannot be reclassified to profit or loss		**—**	—
	3. Changes in fair value of investments in other equity instruments		**-129,175,789.32**	—
	4. Changes in fair value of own credit risk of the Company		**—**	—
	5. Others		**—**	—

CONSOLIDATED INCOME STATEMENT *(Continued)*

Items		Notes	2024	2023 *(Adjusted)*
	(II) Other comprehensive income to be reclassified to profit or loss		**-2,116,057.70**	-185,420.70
	1. Other comprehensive income accounted for using the equity method that may be reclassified to profit or loss		**—**	—
	2. Changes in fair value of other debt investments		**—**	—
	3. Amount of financial assets reclassified into other comprehensive income		**—**	—
	4. Provisions for credit impairment of other debt investments		**—**	—
	5. Reserve for cash flow hedging (effective portion of profit or loss on cash flow hedging)		**—**	—
	6. Exchange differences on translation of financial statements in foreign currency		**-2,116,057.70**	-185,420.70
	7. Others		**—**	—
	Net other comprehensive income after tax attributable to non-controlling interest		**-74,240.40**	-59,346.64
VII.	**Total comprehensive income**		**-4,175,103,249.31**	5,117,278,894.26
	Total comprehensive income attributable to shareholders of the parent company		**-4,036,171,283.51**	4,344,849,108.09
	Total comprehensive income attributable to non-controlling interests		**-138,931,965.80**	772,429,786.17
VIII.	**Earnings per share**	*12*		
	(I) Basic earnings per share (RMB/share)		**-2.7307**	3.0385
	(II) Diluted earnings per share (RMB/share)		**-2.7307**	3.0385

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Xinte Energy Co., Ltd. (新特能源股份有限公司) was established in the PRC on 20 February 2008 as a limited liability company. On 16 October 2012, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The address of the Company's registered office is No. 2249, Zhongxin Street, Ganquanpu Economic and Technological Development Zone (Industrial Park), Urumqi, Xinjiang Uygur Autonomous Region, the PRC.

The Company's parent company and ultimate holding company is TBEA Co., Ltd. (特變電工股份有限公司) ("**TBEA**"), a joint stock company with limited liability incorporated in the PRC.

The Group are principally engaged in the research and development ("**R&D**"), production and sale of high-purity polysilicon; the development, construction and operation of wind power and photovoltaic ("**PV**") power plants; and the manufacture and sale of electrical equipment including inverters, static VAR generator ("**SVG**") and flexible direct current transmission converter valves ("**FDC Converter Valve**").

On 30 December 2015, the H shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

These consolidated financial statements are presented in RMB unless otherwise stated and were approved for issue by the Board on 31 March 2025.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group have been prepared based on transactions and events that have actually occurred, in accordance with the Accounting Standards for Business Enterprises and its application guidance, interpretations and other related requirements issued by the Ministry of Finance of the People's Republic of China (the "**MOF**") and relevant disclosure provisions under the Hong Kong Companies Ordinance and the Stock Exchange Listing Rules.

2.2 Going concern

The Group has evaluated its ability to go as a going concern for the 12 months from the end of the Reporting Period, and has not identified matters and circumstances that raise significant doubt on its going concern ability. The financial statements are presented on a going concern basis.

2.3 Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

In October 2023, the MOF issued the Accounting Standards for Business Enterprises Interpretation No. 17 (Cai Kuai [2023] No.21), which stipulated the relevant contents of the "classification of current liabilities and non-current liabilities", the "disclosure of supplier financing arrangements", and the "accounting treatment for sale and leaseback transactions", and came into effect on 1 January 2024. According to the relevant requirements of the MOF, the Company has implemented the Accounting Standards for Business Enterprises Interpretation No. 17 since 1 January 2024, and the implementation of this accounting policy will not have any significant impact on the Group's financial position and operating results.

In December 2024, the MOF issued the Accounting Standards for Business Enterprises Interpretation No.18 (Cai Kuai [2024] No.24), which stipulated that for assurance-type warranties which do not constitute a separate performance obligation, enterprises shall debit accounts such as "costs of main businesses" and "other businesses costs," and credit the "accrued liabilities" account, based on the determined amount of the accrued liabilities, in accordance with Accounting Standards for Business Enterprises No. 13 — Contingencies. The interpretation provisions became effective immediately upon issuance, with early adoption permitted for companies in fiscal years subsequent to the year of issuance. The Company implemented the Accounting Standards for Business Enterprises Interpretation No.18 from 1 January 2024 and adopted the retrospective adjustment method to make corresponding adjustments to the financial statements for the comparable periods, the specific effects of which are set out below:

Affected items in the consolidated income statement	2023 Before adjustment	Adjustment amount	After adjustment
Operating cost	20,465,313,183.79	168,482,613.45	20,633,795,797.24
Selling expenses	736,115,249.29	-168,482,613.45	567,632,635.84

(2) Changes in significant accounting estimates: *Nil.*

3 SEGMENT INFORMATION

The chief operating decision makers ("**CODMs**") have been identified as the general manager, deputy general manager and directors of the Company who are responsible for reviewing the Group's internal reports in order to assess performance and allocate resources. The management has determined the operating segments on the basis of these reports. As the Group's operations are primarily located in the PRC, the CODMs consider the business from a product and service perspective. Management separately considers the polysilicon, the construction and operation of wind power and PV power plants and electrical equipment as reportable operating segments. Other segments mainly comprise of sales of materials, by-products and other miscellaneous services.

In accordance with the relevant provisions of "Accounting Standards for Business Enterprises No. 35 — Segment Reporting", as the sales volume of the Group's electrical equipment business, such as inverters and SVG, increased significantly in the year as compared with that of the corresponding period of last year, and the external transaction revenue of the electrical equipment business accounted for more than 10% of the total revenue of the Group, therefore, this business was subdivided from the "Other" segment and presented separately as the "Electrical Equipment" segment during the year to disclose information about this business segment and to adjust the presentation of the 2023 segment information for reference.

The CODMs assess the performance of the operating segments based on revenue and gross profit margin. The transactions of inter-segment elimination are carried out based on terms and conditions mutually agreed between the relevant parties. The measurement of segment revenue and results reported to the CODMs are in a manner consistent with that in the consolidated income statement. The amounts provided to the CODMs with respect to total assets are measured in a manner consistent with that of the balance sheet. These assets are allocated based on the operations of the segment.

2024

Items	Polysilicon	Construction of wind power and PV power plants	Operation of wind power and PV power plants	Electrical equipment	Others	Inter-segment elimination	Total
I. Segment revenue and results							
1. Operating revenue	7,761,922,797.44	14,777,891,906.11	2,350,307,029.60	4,396,027,218.71	853,330,407.62	-8,926,499,403.69	21,212,979,955.79
Including: Revenue from external transactions	7,750,014,012.64	7,457,204,252.63	2,349,702,746.44	3,052,968,924.63	603,090,019.45	—	21,212,979,955.79
Revenue from intersegment transactions	11,908,784.80	7,320,687,653.48	604,283.16	1,343,058,294.08	250,240,388.17	-8,926,499,403.69	—
2. Gross profit for the segment	-2,383,162,165.91	1,712,358,676.70	1,238,753,107.08	645,255,797.23	148,151,424.03	—	1,361,356,839.13
3. Investment revenue of associates and joint ventures	16,648,196.40	48,503,644.56	—	—	—	85,387.72	65,237,228.68
4. Impairment loss of credit	-48,887,281.81	63,204,313.33	-37,126,887.04	-17,747,125.91	-4,480,508.86	50,915,752.35	5,878,262.06
5. Impairment loss of assets	-2,513,057,519.19	-152,198,640.43	-675,178,172.62	-72,299,442.02	-3,364,841.58	119,124.89	-3,415,979,490.95
6. Depreciation and amortization expenses	1,936,883,616.85	51,377,487.70	951,151,611.83	69,975,468.71	39,742,748.99	-61,388,389.32	2,987,742,544.76
7. Total profit	-4,924,174,262.76	2,608,058,063.76	106,609,346.46	4,210,189.76	57,553,924.35	-1,931,629,360.17	-4,079,372,098.60
II. Total assets	48,102,740,445.00	26,624,353,597.75	28,664,089,798.09	7,632,773,762.85	2,112,031,388.24	-31,455,402,795.17	81,680,586,196.76
1. Long-term equity investments (investments in associates and joint ventures)	506,648,196.40	506,540,242.05	—	—	—	-139,914,612.28	873,273,826.17
2. Increase in non-current assets (other than long-term equity investments	-2,711,736,992.07	-171,393,249.46	731,655,912.77	733,352,649.98	-84,724,473.35	-754,456,809.81	-2,257,302,961.94
III. Total liabilities	15,789,265,339.43	13,205,117,183.82	21,914,538,434.88	5,448,290,711.24	1,695,420,489.89	-11,665,771,207.11	46,386,860,952.15

2023 (Adjusted)

Items	Polysilicon	Construction of wind power and PV power plants	Operation of wind power and PV power plants	Electrical equipment	Others	Inter-segment elimination	Total
I. Segment revenue and results							
1. Operating revenue	19,547,674,391.04	8,344,955,506.71	2,213,212,015.42	3,163,397,417.45	1,192,788,944.73	-3,710,232,556.11	30,751,795,719.24
Including: Revenue from external transactions	19,518,129,685.35	6,268,048,675.54	2,213,004,077.65	2,093,684,609.32	658,928,671.38	—	30,751,795,719.24
Revenue from inter-segment transactions	29,544,705.69	2,076,906,831.17	207,937.77	1,069,712,808.13	533,860,273.35	-3,710,232,556.11	—
2. Gross profit for the segment	7,006,238,588.37	1,152,167,304.31	1,293,482,545.76	403,344,716.75	262,766,766.81	—	10,117,999,922.00
3. Investment revenue of associates and joint ventures	—	79,411,549.81	—	—	—	—	79,411,549.81
4. Impairment loss of credit	14,051,482.68	-13,423,019.48	-73,866,072.08	-5,679,698.56	9,808,371.50	-6,989,776.60	-76,098,712.54
5. Impairment loss of assets	-1,286,456,595.55	-107,093,540.78	-100,331,553.58	-30,787,845.65	-1,512,373.30	34,789.70	-1,526,147,119.16
6. Depreciation and amortization expenses	1,511,272,538.89	49,173,521.54	811,155,400.48	55,897,777.86	44,750,659.30	-46,862,378.42	2,425,387,519.65
7. Total profit	5,604,264,015.00	1,127,714,700.60	600,562,379.83	36,790,962.12	71,838,745.83	-1,336,492,277.09	6,104,678,526.29
II. Total assets	55,863,141,234.62	23,368,711,462.51	27,690,501,026.86	3,743,883,755.76	2,381,302,405.99	-27,118,083,120.24	85,929,456,765.50
1. Long-term equity investments (investments in associates and joint ventures)	—	420,038,496.06	—	—	—	—	420,038,496.06
2. Increase in non-current assets (other than long-term equity investments)	96,833,503.14	164,034,640.38	1,127,243,802.63	455,304,269.03	-167,179,640.22	714,778,654.91	2,391,015,229.87
III. Total liabilities	18,789,040,776.56	12,178,093,931.19	20,561,051,615.29	2,659,114,002.38	1,691,083,653.97	-11,180,788,180.69	44,697,595,798.70

Revenue from external customers in the PRC and other countries is as follows:

Items	Amounts in the current year	Amounts in previous year
Domestic (excluding Hong Kong)	19,166,162,810.94	29,748,159,319.57
Overseas	2,046,817,144.85	1,003,636,399.67

4 NOTES RECEIVABLE

(1) Notes receivable by category

Items	Closing balance	Opening balance
Bank acceptance notes	388,504,071.71	588,658,993.81
Trade acceptance notes	612,377,670.37	30,449,314.27
Total	**1,000,881,742.08**	**619,108,308.08**

(2) Pledged notes receivable at the end of the year

Items	Pledged amount at the end of the year
Bank acceptance notes	225,499,120.83
Trade acceptance notes	—
Total	**225,499,120.83**

(3) Notes receivable endorsed or discounted at the end of the year but not mature at the balance sheet date

Items	Amount derecognized at the end of the year	Amount not derecognized at the end of the year
Bank acceptance notes	—	21,837,786.00
Trade acceptance notes	—	—
Total	**—**	**21,837,786.00**

(4) Notes transferred to accounts receivable at the end of the year due to non-performance of issuers

Nil.

(5) Method of provision for bad debts by category

Category	Closing balance				
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	Carrying amount
Bad debt provision made on individual basis	—	—	—	—	—
Bad debt provision made on a collective basis	1,010,991,658.66	100.00	10,109,916.58	1.00	1,000,881,742.08
Including: Bank acceptance notes	392,428,355.26	38.82	3,924,283.55	1.00	388,504,071.71
Trade acceptance notes	618,563,303.40	61.18	6,185,633.03	1.00	612,377,670.37
Total	**1,010,991,658.66**	**100.00**	**10,109,916.58**	**—**	**1,000,881,742.08**

Category	Opening balance				
	Book balance		Provision for bad debts		
	Amount	Percentage (%)	Amount	Provision percentage (%)	Carrying amount
Bad debt provision made on individual basis	—	—	—	—	—
Bad debt provision made on a collective basis	625,361,927.36	100.00	6,253,619.28	1.00	619,108,308.08
Including: Bank acceptance notes	594,605,044.26	95.08	5,946,050.45	1.00	588,658,993.81
Trade acceptance notes	30,756,883.10	4.92	307,568.83	1.00	30,449,314.27
Total	**625,361,927.36**	**100.00**	**6,253,619.28**	**—**	**619,108,308.08**

(6) Provisions for bad debt accrued, recovered and reversed for notes receivable during the current year

		Changes of the current year			
Category	Opening balance	Accrued	Recovered or reversed	Carry-forward or written off	Closing balance
Bank acceptance notes	5,946,050.45	-1,151,366.90	—	—	4,794,683.55
Trade acceptance notes	307,568.83	5,007,664.20	—	—	5,315,233.03
Total	**6,253,619.28**	**3,856,297.30**	—	—	**10,109,916.58**

(7) Notes receivable written off in the current year

Nil.

(8) Aging of the notes receivable at the end of the year

The aging of all the above notes receivable at the end of the year of the Group was within 365 days.

5 ACCOUNTS RECEIVABLE

(1) Method of provision for bad debts made on accounts receivable by category

	Closing balance				
	Book balance		Provision for bad debts		
Category	Amount	Percentage (%)	Amount	Provision percentage (%)	Carrying amount
Bad debt provision made on individual basis	92,565,816.17	1.64	92,565,816.17	100.00	—
Bad debt provision made on a collective basis	5,537,501,973.32	98.36	479,058,659.26	8.65	5,058,443,314.06
Including: Portfolio of aging	2,485,204,509.04	44.14	299,458,548.24	12.05	2,185,745,960.80
Portfolio of electricity and subsidies	3,052,297,464.28	54.22	179,600,111.02	5.88	2,872,697,353.26
Total	**5,630,067,789.49**	**100.00**	**571,624,475.43**	**—**	**5,058,443,314.06**

	Opening balance				
	Book balance		Provision for bad debts		
Category	Amount	Percentage (%)	Amount	Provision percentage (%)	Carrying amount
Bad debt provision made on individual basis	92,565,816.17	1.68	92,565,816.17	100.00	—
Bad debt provision made on a collective basis	5,411,633,005.81	98.32	510,009,288.80	9.42	4,901,623,717.01
Including: Portfolio of aging	2,742,843,289.73	49.83	360,765,923.32	13.15	2,382,077,366.41
Portfolio of electricity and subsidies	2,668,789,716.08	48.49	149,243,365.48	5.59	2,519,546,350.60
Total	**5,504,198,821.98**	**100.00**	**602,575,104.97**	**—**	**4,901,623,717.01**

1) Bad debt provision made on accounts receivable on individual basis

Name	Closing balance Book balance	Bad debt provision	Provision percentage (%)
Reduction or cancellation of electricity price subsidies for some projects	92,565,816.17	92,565,816.17	100.00
Total	**92,565,816.17**	**92,565,816.17**	**100.00**

2) Bad debt provision made on accounts receivable by portfolio of aging

Aging	Closing balance Accounts receivable	Bad debt provision	Provision percentage (%)
Within 1 year (inclusive)	1,536,765,062.42	30,735,301.25	2.00
1 year to 2 years (inclusive)	267,647,804.83	13,382,390.23	5.00
2 years to 3 years (inclusive)	308,888,837.32	61,777,767.47	20.00
3 years to 4 years (inclusive)	207,335,831.78	62,200,749.55	30.00
4 years to 5 years (inclusive)	66,409,265.91	33,204,632.96	50.00
Over 5 years	98,157,706.78	98,157,706.78	100.00
Total	**2,485,204,509.04**	**299,458,548.24**	**—**

Aging	Opening balance Accounts receivable	Bad debt provision	Provision percentage (%)
Within 1 year (inclusive)	1,513,496,597.44	30,269,931.93	2.00
1 year to 2 years (inclusive)	505,614,299.86	25,280,714.98	5.00
2 years to 3 years (inclusive)	425,791,747.13	85,158,349.43	20.00
3 years to 4 years (inclusive)	106,052,975.83	31,815,892.76	30.00
4 years to 5 years (inclusive)	7,293,270.51	3,646,635.26	50.00
Over 5 years	184,594,398.96	184,594,398.96	100.00
Total	**2,742,843,289.73**	**360,765,923.32**	**—**

3) In portfolios, accounts receivable with provision made for bad debts using other methods

	Closing balance		
Item	**Accounts receivable**	**Bad debt provision**	**Provision percentage (%)**
Portfolio of electricity and subsidies	3,052,297,464.28	179,600,111.02	5.88

	Opening balance		
Item	**Accounts receivable**	**Bad debt provision**	**Provision percentage (%)**
Portfolio of electricity and subsidies	2,668,789,716.08	149,243,365.48	5.59

(2) Accounts receivable by aging

Aging	**Closing balance**	**Opening balance**
Within 1 year (inclusive)	2,369,836,102.92	2,431,054,956.84
1 year to 2 years (inclusive)	884,512,706.36	1,086,944,284.29
2 years to 3 years (inclusive)	902,927,862.55	1,107,607,442.82
3 years to 4 years (inclusive)	770,794,973.24	389,891,619.56
4 years to 5 years (inclusive)	327,112,752.16	264,304,386.27
Over 5 years	374,883,392.26	224,396,132.20
Total	**5,630,067,789.49**	**5,504,198,821.98**

Note: Accounts receivable are presented by aging on their recording date.

(3) Bad debt provision for accounts receivable

Category	Opening balance	Changes of the current year				Closing balance
		Accrued	Recovered or reversed	Carry-forward or written off	Others	
Bad debt provision made on accounts receivable	602,575,104.97	-12,660,914.03	—	7,144,736.60	-11,144,978.91	571,624,475.43
Total	**602,575,104.97**	**-12,660,914.03**	**—**	**7,144,736.60**	**-11,144,978.91**	**571,624,475.43**

Note: During the Reporting Period, other changes in bad debt provision decreased in an amount of RMB11,144,978.91 were mainly due to transfer of certain subsidiaries by TBEA Xinjiang Sunoasis Co., Ltd. (特變電工新疆新能源股份有限公司), a subsidiary of the Company.

6 RECEIVABLES FINANCING

Items	Closing balance	Opening balance
Notes receivable	1,151,997,262.66	4,889,382,544.41
Total	**1,151,997,262.66**	**4,889,382,544.41**

7 BANK AND OTHER BORROWINGS STRUCTURE AND MATURITY PROFILE

(1) Borrowings structure

Borrowing category	Closing balance	Opening balance
Credit borrowing	5,034,654,329.26	4,903,151,910.94
Secured borrowing	4,004,344,777.83	2,277,152,453.79
Guaranteed borrowing	366,000,000.00	555,900,380.57
Pledged borrowing	3,989,021,301.96	3,102,169,416.50
Secured and pledged borrowing	8,207,734,821.90	11,346,311,022.84
Factoring borrowing	1,250,000.00	2,550,000.00
Notes discounted borrowing	579,154,009.87	—
Total	**22,182,159,240.82**	**22,187,235,184.64**

(2) Maturity profile of the borrowings

Maturity date	Closing balance	Opening balance
Within 1 year (inclusive)	3,109,190,285.91	2,371,670,966.54
1 to 2 years (inclusive)	3,387,549,367.71	3,106,130,283.69
2 to 5 years (inclusive)	7,813,835,581.02	8,002,233,670.80
After 5 years	7,871,584,006.18	8,707,200,263.61
Total	**22,182,159,240.82**	**22,187,235,184.64**

8 NOTES PAYABLE

Category	Closing balance	Opening balance
Bank acceptance notes	7,495,802,932.28	7,409,105,273.55
Trade acceptance notes	74,100,581.03	41,274,976.46
Total	**7,569,903,513.31**	**7,450,380,250.01**

Note: The aging of all the above notes payable at the end of the year of the Group were within 365 days.

9 ACCOUNTS PAYABLE

Item	Closing balance	Opening balance
Total accounts payable	**10,870,449,359.21**	**9,869,801,942.81**
Of which: Over 1 year	4,737,315,365.37	3,910,412,510.89

Note: Accounts payable are presented by aging on their recording date.

10 OPERATING REVENUE AND OPERATING COST

	Amounts incurred during the current year	
Items	**Revenue**	**Cost**
Main businesses	20,743,307,787.58	19,501,437,125.18
Others businesses	469,672,168.21	350,185,991.48
Total	**21,212,979,955.79**	**19,851,623,116.66**

	Amounts incurred in previous year (Adjusted)	
Items	**Revenue**	**Cost**
Main businesses	30,386,997,279.56	20,477,661,323.45
Others businesses	364,798,439.68	156,134,473.79
Total	**30,751,795,719.24**	**20,633,795,797.24**

11 INCOME TAX EXPENSES

Items	Amounts incurred during the current year	Amounts incurred in previous year
Current income tax expenses	527,896,005.23	1,305,061,214.11
Deferred income tax expenses	-563,530,941.94	-317,906,349.42
Total	**-35,634,936.71**	**987,154,864.69**

12 RETURN ON NET ASSETS AND EARNINGS PER SHARE

Profit during the Reporting Period	Return on net assets on weighted average basis (%)	Earnings per share (RMB/share) Basic earnings per share	Diluted earnings per share
Net profit attributable to the ordinary shareholders of the parent company	-11.1961	-2.7307	-2.7307
Net profit attributable to ordinary shareholders of the parent company after deduction of non-recurring profit or loss	-11.3051	-2.7558	-2.7558

13 DIVIDEND

The Board did not recommend the declaration of a final dividend for the year ended 31 December 2024.

On 18 June 2024, the Company considered and approved that no final dividend for the year ended 31 December 2023 would be declared at the annual general meeting of 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

I. REVIEW OF INDUSTRY DEVELOPMENT STATUS

2024 is a pivotal year for China to implement the "14th Five-year Plan" energy plan. Under the wave of global energy structural reform, China actively promotes the construction of a new energy system. As of the end of 2024, the cumulative installed capacity of new energy power generation in China, including wind power and PV power, has exceeded the installed capacity of thermal power for the first time, and the power system's regulation capacity has been further improved, achieving remarkable results in green and low-carbon transformation of the power industry. However, under the long-term positive trend of new energy development in the future, the supply and demand in the entire PV industrial chain were unbalanced due to the continuous release of additional production capacity in the midstream and upstream, but the slowdown in the demand growth rate of new installed capacity in the downstream of the PV industrial chain. The above, plus industry involution, has resulted in the phenomenon of inverted cost and selling price, so that the profitability of manufacturing enterprises in the PV industry sharply declined, or even suffered losses.

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

- In February 2024, the National Development and Reform Commission of the PRC ("**NDRC**") issued the Measures for the Supervision of Full Guaranteed Purchase of Renewable Energy Electricity* (《全額保障性收購可再生能源電量監管辦法》), which clearly defines the scope of guaranteed purchase and clearly distinguishes and defines the guaranteed purchase electricity and market transaction electricity within the grid-connected electricity of renewable energy generation projects, refines the division of responsibilities of relevant members of the electricity market, that is, refines the division of responsibilities of power grid enterprises, power dispatching agencies, power trading agencies and other market entities in the full guaranteed purchase of renewable energy electricity from three aspects of guaranteed purchase, market trading and temporary dispatching. It also clarifies the priority of renewable energy in grid access, guaranteed purchase, power dispatching and power trading, the relevant members of the electricity market shall be liable for compensation for the economic losses of renewable energy power generation enterprises caused by the failure to purchase renewable energy electricity in accordance with regulations under specific circumstances.

- In March 2024, the State Council of the PRC ("**State Council**") issued the Government Work Report of the State Council 2024* (《2024年國務院政府工作報告》), which points out that in 2024, China will vigorously develop a green low-carbon economy, accelerate the green transformation of industrial structure and energy structure, and actively and steadily promote achieving "carbon peaking and carbon neutrality", further promote the energy revolution, control the consumption of fossil energy, and accelerate the construction of a new energy system, strengthen the construction of large-scale wind power and PV bases and transmission channels, promote the development and utilization of distributed energy, and improve the ability of the power grid to integrate, allocate, and regulate clean energy.

- In March 2024, the National Energy Administration of the PRC ("**NEA**") issued the Guiding Opinions on Energy Work in 2024* (《2024年能源工作指導意見》), which clearly states the main objectives of energy work in 2024, that is, to continuously optimize the energy structure, increase the proportion of non-fossil energy in the installed capacity to around 55%, and increase the proportion of wind power and solar power generation to 17% of the total electricity consumption of the society, and increase the proportion of non-fossil energy in total energy consumption to about 18.9%. At the same time, it is required to promote the high-quality development of non-fossil energy, thoroughly implement the dual-carbon target task, consolidate and expand the good development trend of wind power and PV power, steadily promote the construction of large-scale wind power and PV power bases, accelerate the development of decentralized wind power and distributed PV power generation according to local conditions, and organize and implement the "Wind Control Action for Thousands of Villages"* (千鄉萬村馭風行動) and "Sunshine Action for Thousands of Households"* (千家萬戶沐光行動) in areas where conditions permit.

- In May 2024, the State Council issued the 2024–2025 Energy Conservation and Carbon Reduction Action Plan* (《2024–2025年節能降碳行動方案》), which specifies China's binding energy conservation and carbon reduction targets for 2024 and 2025, and improves the control on total amount and intensity of energy consumption. It is required to increase the development of non-fossil energy, accelerate the construction of large-scale wind power and PV bases mainly in deserts, gobi and barren areas, promote the development and utilization of distributed renewable energy, and by the end of 2025, the proportion of national non-fossil energy power generation should reach approximately 39%. In addition, measures should be taken to improve the renewable energy consumption capacity, accelerate the construction of large-scale wind power and PV base transmission channels, improve inter-provincial and inter-regional power transmission capacity, strengthen the transformation of power distribution networks, and improve the carrying capacity of distributed new energy. Moreover, efforts should be made to promote non-fossil energy consumption, and the regions that lag behind in energy conservation and carbon reduction indicators in the first three years of the "14th Five-Year Plan" must implement non-fossil energy consumption commitments for new projects. The proportion of non-fossil energy consumption in new high-energy-consuming projects in the last two years of the "14th Five-Year Plan" shall not be less than 20%. Local governments are encouraged to increase the proportion requirements based on actual conditions, strengthen the connection between renewable energy green power certificate trading and energy conservation and carbon reduction policies, in a bid to achieve full coverage of green certificate verification and issuance by the end of 2024.

- In May 2024, the NEA issued the Notice on Doing a Good Job in New Energy Consumption to Guarantee the High-Quality Development of New Energy* (《關於做好新能源消納工作保障新能源高質量發展的通知》), which requires accelerating the construction of new energy supporting grid projects, actively promoting the improvement of system regulation capabilities and coordinated development of network sources, giving full play to the role of the power grid resource allocation platform, scientifically optimizing the new energy utilization rate targets, and doing a solid job in the statistical management of new energy consumption data. Furthermore, new energy consumption monitoring, analysis and supervision should be carried out on a regular basis, so as to enhance the consumption capacity of power system for new energy, ensure the large-scale development of new energy while maintaining a reasonable level of utilization, and promote the high-quality development of new energy.

- In July 2024, the NDRC, the NEA, and the National Data Administration jointly issued the Action Plan for Accelerating the Construction of New Power Systems (2024–2027)* (《加快構建新型電力系統行動方案（2024–2027年）》), which puts forward that the 2024–2027 period will be centered on the overall goal of planning and constructing a new energy system, and accelerating the construction of new power system. Special actions will be carried out in nine key areas, including guarantee of power system stability, large-scale and high-proportion of new energy transmission, high-quality development of distribution grids, improvement in friendly performance of the new energy system, optimization of the power system's regulation capacity, and improvement of demand-side coordination capacity, so as to improve the grid's ability to accept, allocate, and regulate clean energy, achieving practical results in the construction of new power system.

- In October 2024, the NDRC, the NEA and other six ministries and commissions jointly issued the Guiding Opinions on Vigorously Implementing Renewable Energy Substitution Actions* (《關於大力實施可再生能源替代行動的指導意見》), which requires efforts to increase the safe and reliable alternative capacity of renewable energy, accelerate the application of alternative renewable energy in key areas, and actively promote innovative substitution pilots of renewable energy. By improving regulations, standards and market trading mechanisms, enhancing green energy consumption mechanisms, and implementing technological, fiscal and financial support policies, the country will accelerate the implementation of renewable energy substitution actions in various fields. By 2030, the national renewable energy consumption will reach over 1.5 billion tons of standard coal, which will strongly support the realization of the 2030 carbon peaking goal.

- In November 2024, the 12th meeting of the Standing Committee of the 14th National People's Congress of the PRC deliberated and adopted the first Energy Law of the PRC (《中華人民共和國能源法》) (the "**Energy Law**"), which came into effect on 1 January 2025. The Energy Law is a fundamental and leading law in the field of energy, which centrally elaborates the major policies, fundamental principles and institutional systems of China's energy work. Its promulgation and implementation are an important milestone in the construction of China's energy legal system and provides a solid guarantee for promoting high-quality energy development on the track of the rule of law. The Energy Law stipulates that the state supports prioritizing development and utilization of renewable energy, rationally developing and cleanly and efficiently utilizing the fossil energy, promoting a safe, reliable and orderly replacement of fossil energy by non-fossil energy, and increasing the proportion of non-fossil energy consumption; promoting development and utilization of wind energy and solar energy, persisting in development of centralized and distributed energy sources simultaneously, accelerating construction of wind power and PV power generation bases, supporting nearby development and utilization of distributed wind power and PV power generation, developing the offshore wind power in a reasonable and orderly manner, and actively developing solar and thermal power generation; accelerating the construction of new power system, strengthening coordination between power generation and the power grid, promoting intelligent transformation of power grids infrastructure and construction of smart microgrids, and improving the acceptance, allocation and regulation of renewable energy by the power grids; promoting improvement of energy utilization efficiency, encouraging development of distributed energy sources and integrated energy services of complementarity and joint supply of multi-energy, and promoting market-oriented energy conservation services such as contractual energy management, so as to increase the level of clean, low-carbon, efficient and intelligent terminal energy consumption.

- In December 2024, the NDRC and the NEA issued the Implementation Plan for the Special Action to Optimize the Regulation Capacity of the Power System (2025–2027)* (《電力系統調節能力優化專項行動實施方案（2025–2027年）》), which proposes to focus on rational consumption and utilization of new energy in various regions, scientifically analyzes scale and characteristics of the demand for regulation capacity, formulates plans for rational allocation and optimal combination of various types of regulating resources, optimizes the way of deploying various regulating resources and regulation capacity of the power system, and speeds up construction of the new power system. Through the construction and optimization of regulation capacity of the power system, it will support reasonable consumption and utilization of more than 200 million kilowatts of new energy added on average per year in China from 2025 to 2027, with utilization rate of new energy not be less than 90%.

2. Review of Development Status of the Polysilicon Industry

According to the statistics of the Silicon Industry Branch of China Nonferrous Metals Industry Association (中國有色金屬工業協會硅業分會), the polysilicon production capacity in the PRC reached 1,845,100 tons in 2024, representing a year-on-year increase of 25.43%. Affected by the imbalance between supply and demand in the PV industry chain, the price of polysilicon fell irrationally in 2024, the average price of the dense materials decreased from RMB58,100/ton (tax included) at the beginning of January 2024 to RMB36,500/ton (tax included) at the end of December 2024. Since April 2024, the market price of polysilicon has fallen below the cost of polysilicon production companies and continued to run low, the polysilicon industry was in a state of overall loss.

3. Review of Development Status of the PV and Wind Power Generation Industry in the PRC

According to the statistics from the NEA and China Electricity Council, the newly installed power generation capacity in China was approximately 427GW in 2024, representing a year-on-year increase of 20.63%. As of the end of 2024, China's cumulative installed power generation capacity was approximately 3,349GW, representing a year-on-year increase of 14.6%, China's cumulative installed new energy power generation capacity including wind power, PV and biomass reached 1,450GW, exceeding the installed capacity of thermal power for the first time, thus achieving remarkable results in green and low-carbon transformation of the power industry. The newly installed PV power generation capacity in China was approximately 277GW in 2024, representing a year-on-year increase of approximately 28%. As of the end of 2024, China's accumulative installed PV power generation capacity was approximately 887GW. The newly installed wind power capacity in China was approximately 79GW in 2024, representing a year-on-year increase of approximately 5%. As of the end of 2024, the accumulative installed wind power capacity in China was approximately 521GW.

II. PRINCIPAL BUSINESS OPERATIONS OF THE GROUP

Facing the complex and ever-changing market environment, the Group actively adjusted its polysilicon production plan, took various measures to improve the quality and reduce the cost of polysilicon production, vigorously expanded the scale of development, construction and operation of PV and wind power resources, endeavored to enhance the profitability of the new energy core equipment manufacturing industry, and actively deployed new revenue contributing units, so as to enhance its operational resilience and risk-resistance capability during a difficult period of the industry. During the Reporting Period, due to the significant decrease in the market price of polysilicon products, the Group achieved revenue from operations of RMB21,212.98 million, net loss of RMB4,043.74 million and the net loss attributable to shareholders of the listed company of RMB3,904.88 million, all representing significant decreases in operating results as compared to the corresponding period of last year.

1. Polysilicon Production

In 2024, the Group's average selling price of polysilicon was RMB38,400/ton (tax excluded), representing a decrease of approximately 60% as compared with that of the corresponding period of last year. In the first half of 2024, the Group's polysilicon production capacity was fully utilized, and the production and sales of polysilicon achieved significant growth over the corresponding period of last year. However, affected by an imbalance between the demand and supply along the PV industrial chain, the price of polysilicon has dropped irrationally since April 2024, and the market price of polysilicon has fallen below the cost of the enterprises producing polysilicon and remained stable at a low level. In response to the market condition where polysilicon continuously remained at a low price, the Group has gradually carried out overhaul and renovation of certain production lines and orderly reduced and controlled production from mid-2024, coupled with economic calculations and overhaul and technological transformation plans. During the overhaul and renovation period, a comprehensive systematic investigation, overhaul and maintenance were continuously carried out for various production equipment of the relevant production lines. Technical transformation of equipment, process technology, digital control and others targeting energy saving, quality improvement, and cost reduction were also carried out to lower costs and enhance the quality of our products after the resumption of production. The Group achieved an output of 198,800 tons of polysilicon and achieved sales of 199,200 tons of polysilicon in 2024.

During the Reporting Period, the Group continued to enhance production stability and system purification capabilities through refined process control and advanced the development of new separation and catalysis materials. It also promoted cost reduction, quality improvement and efficiency enhancement by optimizing procurement strategies, controlling incoming raw material testing and monitoring product quality throughout the process.

2. Development, Construction, Operation of PV and Wind Power Resources

In 2024, the Group kept close abreast of the national policies, intensified its efforts to secure wind and PV resources, focused on expansion in key regions such as Jiangsu, Gansu, Xinjiang, Heilongjiang and Liaoning, conducted market insights in districts and counties, emphatically promoted the standardized management reform of resource development, and achieved significant improvement in the annual conversion rate of resource development projects and per capita efficiency of development. At the same time, in the process of construction of new energy engineering projects, the Group achieved results in standardization and innovation of integrated technology by optimizing the design of PV support structure, wind turbine foundation and hoisting platform layout, etc., and achieved cost reduction and efficiency increase in engineering technology design. During the Reporting Period, the Group accelerated the construction of large new energy base projects of over 5GW in Bazhou and Zhundong region in Xinjiang. After the completion of the 3GW new energy project in Zhundong, part of the green power produced by the project can be used for the polysilicon production of the Group through market-based trading, giving full play to the advantages of the new energy circular economy industry chain. During the Reporting Period, the completed total installed capacity of PV and wind power construction projects of the Group which had been recognized as revenue amounted to approximately 3GW.

During the Reporting Period, the Group continuously optimized the asset structure of operating power plants based on changes in market, electricity price trading policies and benefit calculation, with a focus on promoting digital transformation and upgrading of operating power plants and increasing revenue and efficiency in power trading. The Group achieved further improvement in per capita operation and maintenance performance and fault warning accuracy, with non-curtailment energy loss reduced by 16% year-on-year, mainly by means such as intelligent operation and maintenance optimization and upgrading, unmanned or minimally staffed maintenance efficiency improvement, equipment reliability enhancement through professional testing and maintenance. At the same time, the Group optimized the power trading strategy, expanded the participation scope of power trading varieties, developed medium-and long-term trading cooperation resources, effectively increased settlement volume and the average price of power trading per kilowatt hour, to increase revenue and create benefits for the operation of power plants. As of the end of 2024, the Group had an approximately 3.5GW of operated power plants projects which have achieved grid-connected power generation.

3. Manufacturing of Key Equipment Including Inverters, SVG and FDC Converter Valves

In 2024, by seizing the development opportunity of the new energy industry, the Group vigorously developed manufacturing business for key equipment such as inverters, SVG and FDC Converter Valves. In order to expand the production capacity of power electronic products such as inverters, the Group began to invest in the construction of new automatic inverter production lines and warehousing and logistics systems in the Xi'an Digital Factory project at the beginning of 2024. By the end of 2024, some automatic production lines were integrated and put into operation, and the remaining production lines and supporting facilities are expected to be completed and put into operation in the first half of 2025.

During the Reporting Period, the Group improved the flexibility and standardization of power electronic products and scene matching by strengthening the lean control, information management and modular production of the production process, constantly reducing production costs and improving product quality; at the same time, the Group paid attention to customer needs and incremental markets at home and abroad, continuously optimized the construction of the marketing system, and focused on and cultivated key customers through technological innovation and scientific research cooperation. In 2024, the Group's inverter products won more than 30 bids of large central enterprises and state-owned enterprises, ranking among the top in terms of bidding rate and bidding capacity. During the Reporting Period, the annual shipment of the Group's inverter products exceeded 20GW, with shipment in overseas market exceeding 7GW, representing an increase of 120% over the corresponding period of last year; the Group successfully signed the offshore wind power flexible low-frequency transmission project, which was the first application of "key flexible low-frequency transmission technology" in the offshore wind power project industry, and achieved a new breakthrough in the commercial application of flexible DC converter technology.

4. Layout of New Profit Contributing Units

In order to ensure the power supply for the Group's polysilicon production, enhance the overall competitiveness of its products, the Group arranged new profit contribution units at the same time to improve the profit structure and reduce the adverse impact of price fluctuations in the polysilicon market on the Group's performance. In June 2024 and January 2025, the Group became a shareholder of Xinjiang Zhunneng Investment Co., Ltd.* (新疆准能投資有限公司) ("**Zhunneng Investment**"), and Xinjiang Zhundong TBEA Energy Co., Ltd.* (新疆准東特變能源有限責任公司) ("**Zhundong Energy**") through capital increase and equity acquisition, holding 49% equity interest in each of the above-mentioned companies.

Zhunneng Investment invested in the construction of the Wucaiwan (五彩灣) 2×660MW thermal power project situated in Zhundong, Xinjiang, which was officially put into operation in January 2025, and can give full play to the advantages of pithead power plant to ensure local power supply; Zhundong Energy invested in the construction of the Wucaiwan (五彩灣) north No. 1 power plant 2×660MW pithead thermal power plant project situated in Zhundong, Xinjiang, which was completed and put into operation in 2019, and is a supporting power supply for "Ultra- High Voltage Transmission (特高壓外送)" channel, which can contribute long-term and stable income. The Group will carry on the accounting for the above companies using the equity method, which can achieve better investment returns, further improve the Group's operational resilience and risk resistance capacity, and promote long-term healthy and sustainable development.

5. Technology and R&D

In terms of polysilicon production, during the Reporting Period, focusing on bottleneck issues such as production stability control, energy conservation, cost reduction and consumption reduction, and improvement in product quality, the Group carried out a number of technology innovation work and core technology research in key links such as cold hydrogenation, distillation and purification, reduction and tail gas treatment, products sorting, and recycling around aspects such as the growth mode of polysilicon, distillation and purification process optimization, enhancement of cold hydrogenation conversion rate and slurry process efficiency, material and tail gas recycling and utilization, online monitoring of equipment operation, effectively reducing the production cost, improving product quality, and further improving the proportion of electrical products above secondary level.

In terms of the development, construction and operation of wind power and PV resources, the Group closely followed the national policy guidance, actively explored new business models, and continued to increase investment in technology and product innovation around new materials, new technologies, new scenarios and digitalization, and actively provided better products and technical solutions for new energy projects. In terms of product technology innovation, the flexible multi-level direct current ("**DC**") link converter developed by the Group has overcome medium-voltage DC grid connection technology and will be applied to medium-voltage DC, PV DC aggregation and offshore wind power transmission, which can significantly increase the new energy generation capacity and conversion efficiency. The development of alternative products for power modules and valve sections has solved the supply problem of key components. As recognized by the China Machinery Industrial Association, the performance of these new products has reached the industry leading level; the research on improvement of the adaptability of string inverters to the power grid has successfully passed the verification on the adaptability to weak power grid and fault ride-through capability in high permeability environment in some regions, the product performance and adaptability to the power grid have been continuously improved. In terms of engineering and technology innovation, the Group completed the research and release of 15 innovative solutions focusing on application scenarios such as industrial and commercial energy storage and zero-carbon parks, completed the launch and promotion of energy storage planning and design simulation platform and intelligent management system, and realized the automatic generation of industrial and commercial energy storage planning and design reports, online management of energy consumption and energy storage planning.

In 2024, a total of 126 patents submitted by the Group were granted. As at 31 December 2024, the Group had a total of 880 domestic patents, 7 international patents, and participated in the preparation of 172 issued standards, including 6 international standards, 58 national standards and 49 industry standards.

During the Reporting Period, the Group carried out technological innovation around new energy storage technology, key technological R&D of inverters, improvement of digital intelligence level, intelligent operation and maintenance of power plants, and committed itself to providing customers with high-quality products and service solutions. The main achievements are as follows:

- the Key Technologies and Industrialization of Digital Intelligent Testing and Control of Large-capacity Battery Storage System* (《大容量電池儲能系統數智化測試與控制關鍵技術及產業化》) project in which it participated won the second prize of the National Science and Technology Progress Award;

- the developed Research on Key Technologies of PV Inverters Adapted to Weak Grid Environment and Series Products* (《適應弱網環境的光伏逆變器關鍵技術研究及系列產品》) won the second prize of Science and Technology Award of China Electrotechnical Society;

- the Research, Development and Application of 5G Full Connectivity Innovative Technology for Silicon-based Manufacturing Industry* (《面向硅基制造業5G全連接創新技術研發與應用》) project in which it participated won the first prize of Xinjiang Uygur Autonomous Region Science and Technology Award;

- successfully obtained the international standard Level 3 certification of the Guidelines for Innovative Intellectual Property Management (ISO 56005) (《創新管理知識產權管理指南(ISO 56005)》);

- the developed TB-eCloud PV intelligent operation and maintenance platform was approved as the 2024 intelligent PV pilot demonstration project of the Ministry of Industry and Information Technology of China.

6. Safety Production

The Group consistently implements the “people and safety-oriented” safety management policy, pays close attention to the construction of HSSE (health, safety, security and environmental protection) system and standardization, on-site management and safety informatization, strengthens safety management training and continuously consolidates the safety development guarantee system. In 2024, the Group had no major safety production and environmental protection accidents and incidents.

During the Reporting Period, the Group comprehensively strengthened the safety team mechanism and institutional construction through measures such as increasing investment in safety management, improving safety performance incentive mechanisms, and optimizing the staffing of the safety, health and environmental team; improved the dual prevention mechanism of hierarchical and multicolor management and control of risks and investigation and management of hidden hazards, strictly grasped on-site production safety management, focused on the essential safety improvement of process and equipment, identification and verification of major hazard sources, special hazardous operation management and integrated management and control of relevant parties to carry out safety management, so as to provide timely warnings and eliminate hidden hazards of accidents from the source, and effectively improve the ability to prevent and control accidents. With “ safety grid + safety information” as the starting point, the Group promoted the digital and intelligent transformation and upgrading of safety management through digital empowerment and lean management and control and other information means, and realized the digitalization of basic safety management, intelligent operation control, accurate risk warning, integrated environmental monitoring and less humanized on-site inspection, effectively improving the predictable and controllable level of production safety management, and preventing and avoiding the hidden risks of production safety; by carrying out safety production training on a regular basis, the Group increased the safety professional skills of employees, capability of hidden hazards detection and the quality of safety management operation. During the Reporting Period, the Group conducted safety trainings with more than 100,000 training personnel, and organized emergency drills with nearly 50,000 participants.

7. Talent Team Building

During the Reporting Period, the Group focused on R&D innovation and digital empowerment, strengthened the construction of high-quality professional teams, optimized the talent structure with the purpose of cultivating innovation momentum and solving business strategic needs and core weaknesses, introduced and cultivated leading professionals and technical talents, and effectively implemented the strategy of strengthening the enterprise with talents with accurately positioning the demand for high-end talents in the fields of R&D, technology, production, chemical construction and market development; vigorously promoted organizational reform and transformation, optimized organizational structure, scientifically established management and control process, and constantly improved the efficiency of organizational operation and professional management ability of talent team; improved the talent management mechanism, fully draw on the excellent enterprise management experience, deeply analyzed the current situation of talent team construction and carried out talent assessment, optimized the performance management system and the construction of staff skill improvement platform, specifically strengthened the training of current and reserve talents, strengthened the care of employees, and built a comprehensive talent service and guarantee system for attracting, cultivating, using and retaining talents, continuously improved the quality of the talent team and employee satisfaction, and stimulated the vitality of the organization, promoting the high-quality development of the Group.

III. OPERATING RESULTS AND ANALYSIS

Financial Review:

Revenue

The Group generates revenue mainly from the R&D, production and sales of high-purity polysilicon, the development, construction and operation of wind power and PV power plants, and the R&D, manufacturing and sales of electrical equipment such as inverters, SVG and FDC Converter Valves. For the year ended 31 December 2024, the revenue of the Group was RMB21,212.98 million, representing a decrease of RMB9,538.82 million or 31.02% from RMB30,751.80 million in the corresponding period of last year, which was mainly attributable to the significant decline in the price of polysilicon during the Reporting Period. The revenue of each business segment is as follows:

For the year ended 31 December 2024, the revenue of the polysilicon segment was RMB7,750.01 million, representing a decrease of RMB11,768.12 million or 60.29% from RMB19,518.13 million in the corresponding period of last year, which was mainly attributable to the significant decline in the price of polysilicon during the Reporting Period.

For the year ended 31 December 2024, the revenue of the construction of wind power and PV power plants segment was RMB7,457.20 million, representing an increase of RMB1,189.16 million or 18.97% from RMB6,268.05 million in the corresponding period of last year, which was mainly attributable to the Group's increased efforts on market development and the expansion of scale of the construction of wind power and PV power plants business during the Reporting Period.

For the year ended 31 December 2024, the revenue of the operation of wind power and PV power plants segment was RMB2,349.70 million, representing an increase of RMB136.70 million or 6.18% from RMB2,213.00 million in the corresponding period of last year, which was mainly attributable to an increase in the scale of operation projects of the Group's wind power and PV power plants that have generated electricity during the Reporting Period, resulting in a corresponding increase in power generation.

For the year ended 31 December 2024, the revenue of the electrical equipment segment was RMB3,052.97 million, representing an increase of RMB959.28 million or 45.82% from RMB2,093.68 million in the corresponding period of last year, which was mainly attributable to the significant increase in the sales of the Group's electrical equipment such as inverters and SVG during the Reporting Period.

Cost

For the year ended 31 December 2024, the costs incurred by the Group was RMB19,851.62 million, representing a decrease of RMB782.17 million or 3.79% from RMB20,633.80 million in the corresponding period of last year. The cost incurred by each business segment is as follows:

For the year ended 31 December 2024, the cost incurred by the polysilicon segment was RMB10,133.18 million, representing a decrease of RMB2,378.71 million or 19.01% from RMB12,511.89 million in the corresponding period of last year, which was mainly due to the decrease in unit cost of polysilicon as compared to the corresponding period of last year as a result of the decrease in the price of raw material silicon powder as compared to the corresponding period of last year and the Group's enhanced cost control during the Reporting Period.

For the year ended 31 December 2024, the cost incurred by the construction of wind power and PV power plants segment was RMB5,744.85 million, representing an increase of RMB628.96 million or 12.29% from RMB5,115.88 million in the corresponding period of last year, which was mainly due to the expansion of scale of the construction of wind power and PV power plants business of the Group, and thus an increase in cost during the Reporting Period.

For the year ended 31 December 2024, the cost incurred by the operation of wind power and PV power plants segment was RMB1,110.95 million, representing an increase of RMB191.43 million or 20.82% from RMB919.52 million in the corresponding period of last year, which was mainly due to the increase in the scale of wind power and PV power plants operation projects of the Group which have generated electricity, resulting in a corresponding increase in cost during the Reporting Period.

For the year ended 31 December 2024, the cost incurred by the electrical equipment segment was RMB2,407.71 million, representing an increase of RMB717.37 million or 42.44% from RM1,690.34 million in the corresponding period of last year, which was mainly due to the significant increase in the sales of the Group's electrical equipment such as inverters and SVG, resulting in a corresponding increase in cost during the Reporting Period.

Gross profit and gross profit margin

For the year ended 31 December 2024, the gross profit of the Group was RMB1,361.36 million, representing a decrease of RMB8,756.64 million or 86.55% from RMB10,118.00 million in the corresponding period of last year. The comprehensive gross profit margin was 6.42%, representing a decrease of 26.48 percentage points over the corresponding period of last year, which was mainly due to a significant decrease in the sales prices of polysilicon during the Reporting Period, although the Group's polysilicon unit costs decreased as compared to the corresponding period of last year, the reduction in costs contributed less to earnings than the impact of lower selling prices.

Selling expenses

For the year ended 31 December 2024, the selling expenses of the Group were RMB685.61 million, representing an increase of RMB117.98 million or 20.78% from RMB567.63 million in the corresponding period of last year, which was mainly due to the significant increase in the sales of the Group's electrical equipment such as inverters and SVG, resulting in a corresponding increase in selling expenses during the Reporting Period.

Administrative expenses

For the year ended 31 December 2024, the administrative expenses of the Group were RMB1,178.30 million, representing an increase of RMB190.59 million or 19.30% from RMB987.72 million in the corresponding period of last year, which was mainly due to the expansion of the business scale of the construction of wind power and PV power plants segment and the electrical equipment segment of the Group, resulting in a corresponding increase in administrative expenses during the Reporting Period.

R&D expenses

For the year ended 31 December 2024, the R&D expenses incurred by the Group were RMB367.03 million, representing an increase of RMB93.00 million or 33.94% from RMB274.03 million in the corresponding period of last year, which was mainly due to the fact that the Group carried out a number of quality, process, cost improvement projects and scientific research projects, resulting in an increase in R&D investment during the Reporting Period.

Financial expenses

For the year ended 31 December 2024, the financial expenses of the Group were RMB601.63 million, representing a decrease of RMB7.17 million or 1.18% from RMB608.80 million in the corresponding period of last year.

Investment income

For the year ended 31 December 2024, the investment income of the Group was RMB767.34 million, as compared to the investment loss of RMB6.75 million for the corresponding period of last year, which was mainly due to the gains realized from the disposal of certain PV power and wind power plants by the Group during the Reporting Period.

Impairment loss of assets

For the year ended 31 December 2024, the impairment loss of assets of the Group was RMB3,415.98 million, representing an increase of RMB1,889.83 million or 123.83% from RMB1,526.15 million in the corresponding period of last year, which was mainly due to the provision for impairment of assets related to the Group's polysilicon and self-operated power station businesses during the Reporting Period.

During the Reporting Period, since certain polysilicon production lines at the Group's Xinjiang Ganquanpu production base were constructed at an early stage, the equipment and process technology applied were relatively outdated, leading to a high production cost. Some of the polysilicon production equipment had high energy consumption and carried certain operational hazards, which was replaced during the overhaul and technological renovation period. The synergy of the production lines of by-products of polysilicon, such as organosilicon and fumed silica, and the production of polysilicon was not fully utilized, thus resulting in a high production cost. The Group disposed the aforementioned polysilicon and by-product production lines and some of the replaced polysilicon production equipment, and a provision for impairment of fixed assets totaling RMB1,473.59 million has been made. Furthermore, the Group's 4 self-operated PV power stations located in Xinjiang and Gangsu regions recorded losses in 2024 due to the adjustment of the electricity tariff mechanism and the relatively high power curtailment rate; thus, the Group made provision for assets impairment of the asset portfolio in respect of the aforementioned 4 self-operated PV power stations of RMB675.18 million in aggregate.

Income tax expenses

For the year ended 31 December 2024, the income tax credit of the Group was RMB35.63 million, as compared to the income tax expenses of RMB987.15 million for the corresponding period of last year, which was mainly due to the significant decrease in the Group's profit as a result of a significant decrease in the sales prices of polysilicon during the Reporting Period.

Net profit/(loss) attributable to shareholders of the listed company

For the year ended 31 December 2024, the net loss attributable to shareholders of the listed company was RMB3,904.88 million, as compared to the net profit attributable to shareholders of the listed company of RMB4,345.03 million for the corresponding period of last year, which was mainly due to the significant decrease in the sales prices of polysilicon and the Group's provision for asset impairment during the Reporting Period.

Profit or loss attributable to non-controlling interests

For the year ended 31 December 2024, the loss attributable to non-controlling interests incurred by the Group were RMB138.86 million, as compared to the net profit attributable to non-controlling interests of RMB772.49 million for the corresponding period of last year, which was mainly due to the significant decline in the sales price of polysilicon, and the losses incurred by the Company's non-wholly owned subsidiary during the Reporting Period.

Cash flows

Net cash flow generated from operating activities

For the year ended 31 December 2024, the net cash flow generated from operating activities of the Group was RMB1,754.58 million, representing a decrease of RMB12,616.91 million or 87.79% from RMB14,371.49 million in the corresponding period of last year, which was mainly due to the significant decline in the sales price of polysilicon of the Group, the significant drop in sales revenue and the corresponding reduction in payment collection during the Reporting Period.

Net cash flow generated from investing activities

For the year ended 31 December 2024, the net cash outflow from investing activities of the Group was RMB9,500.03 million, representing an increase of RMB2,351.76 million or 32.90% from RMB7,148.27 million in the corresponding period of last year, which was mainly due to the enhanced capital management of the Group and the increase in the scale of the deposit-based financial products during the Reporting Period.

Net cash flow generated from financing activities

For the year ended 31 December 2024, the net cash flow generated from financing activities of the Group was RMB1,371.49 million, representing an increase of RMB139.59 million or 11.33% from RMB1,231.90 million in the corresponding period of last year, which was mainly due to the decrease in cash paid for repayment of debts of the Group as compared to the corresponding period of last year during the Reporting Period.

Operation fund

	As at 31 December 2024	As at 31 December 2023 (Adjusted)
Balance of cash and cash equivalents at the end of the period *(RMB)*	**5,494,514,947.49**	11,867,232,272.62
Gearing ratio	**30.55%**	21.87%
Inventory turnover rate *(times)*	**4.74**	4.99
Inventory turnover days *(days)*	**76.01**	72.13

As at 31 December 2024, the balance of cash and cash equivalents at the end of the period of the Group was RMB5,494.51 million (31 December 2023: RMB11,867.23 million).

The required capital fund of the construction and operation of wind power and PV power plants in which the Group is engaged generally accounts for 20%–30% of the total investment of a project, the rest of which is mainly bank loans that could materially affect the Group's gearing ratio. As at 31 December 2024, the gearing ratio of the Group was 30.55% while that as at 31 December 2023 was 21.87%. Gearing ratio was calculated as its net debt divided by total equity, where net debt is total interest-bearing liabilities less restricted cash and cash and cash equivalents.

The Group's wind power and PV power plants under construction and completed pending for transfer were included in the inventory item, and whether the wind power and PV power plants can be transferred in time is significantly important for the Group's inventory turnover rate and turnover days. The inventory turnover rate and turnover days of the Group were 4.74 times and 76.01 days respectively as at 31 December 2024, respectively, and the inventory turnover rate and turnover days of the Group were 4.99 times and 72.13 days respectively as at 31 December 2023.

By virtue of the stable cash inflow from the daily business operations and financing business, the Group has sufficient resources to support future expansion.

Capital expenditure

For the year ended 31 December 2024, the major capital expenditure of the Group included: a total of RMB6,010.29 million of expenditure for the purchases of fixed assets and intangible assets as well as other long-term assets.

Pledge of assets

As at 31 December 2024, the Group's long-term borrowings with an amount of RMB16,201.10 million were secured or pledged by the Group's assets including inventories, fixed assets, construction in progress and receivables, and were guaranteed by TBEA Co., Ltd., a controlling shareholder of the Company, and the Company with an amount of RMB366.00 million.

Capital liquidity

As at 31 December 2024, current assets of the Group amounted to RMB28,632.84 million, among which, RMB11,663.08 million was monetary capital; RMB7,094.94 million was inventories and contract assets; RMB7,211.32 million was accounts receivable, notes receivable and receivables financing, primarily consisting of the receivables of construction and operation of wind power and PV power plants and receivables of sales of inverters; and RMB2,584.55 million was other receivables, prepayments and other current assets, primarily consisting of deposit-based financial products, deductible value-added tax and prepayments, etc. As at 31 December 2024, current liabilities of the Group amounted to RMB25,691.49 million, including RMB18,440.35 million of accounts payable and notes payable, primarily consisting of purchase of equipment, laboring and materials, etc. necessary for daily operations; RMB2,164.68 million of contract liabilities, primarily consisting of construction of wind power and PV power plants, and the prepayments for sales of polysilicon; RMB440.62 million of other payables, primarily consisting of deposits payable and deposits, temporary receipts and expenses payable, etc.; RMB429.04 million of taxes payable, primarily consisting of various taxes to be paid; and RMB610.43 million of short-term borrowings.

As at 31 December 2024, net current assets of the Group amounted to RMB2,941.34 million, representing a decrease of RMB5,133.77 million as compared with the net current assets of RMB8,075.11 million as at 31 December 2023. The current ratio was 111.45% as at 31 December 2024, representing a decrease of 22.99 percentage points as compared with the current ratio of 134.44% as at 31 December 2023. Restricted cash amounted to RMB6,168.44 million, mainly including deposit-based financial products and bill deposits.

Credit risk

The Group manages credit risk by portfolio classification. Credit risk mainly arises from monetary capital, notes receivable, accounts receivable, receivables financing, other receivables, contract assets, long-term receivables, etc. In order to reduce credit risk, the Group has set up a dedicated department to determine credit limits, conduct credit approval, and perform other monitoring procedures to ensure necessary measures are taken to recover overdue debts. In addition, the Group reviews the recovery of each item of receivables at each balance sheet date, to ensure sufficient bad debt provisions are made on unrecoverable items. Therefore, the Group's management believes that the Group's credit risk has been significantly reduced. The Group's credit risk related to liquidity was relatively low as its liquidity was deposited in banks with high credit rating and TBEA Group Finance Co., Ltd. (特變電工集團財務有限公司).

Foreign exchange risk

The Group's foreign exchange exposure is mainly related to US dollars, Euro, Indian rupee and Philippine peso, etc. Except certain subsidiaries of the Group that use US dollars and other foreign currencies for sales, other main business operations of the Group are denominated and settled in RMB. As at 31 December 2024, some of the Group's assets and liabilities have balances in US dollars, Euro, Indian rupee and Philippine peso, etc. The foreign exchange exposure of balances in such foreign currencies is minimal, and will not have a material adverse impact on the financial position of the Group. The Group adopts reasonable hedging instruments and products to reduce the risk of exchange rate fluctuations, adheres to the principle of exchange rate hedging, clarifies the management of target exchange rates, and appropriately conducts businesses such as spot and forward settlements to avoid the risk of exchange rate fluctuations.

Interest rate risk

The Group's interest rate risk arises from interest-bearing liabilities such as bank borrowings and bonds payable. Financial liabilities at floating interest rates expose the Group to cash flow interest rate risk, and financial liabilities at fixed interest rates expose the Group to fair value interest rate risk. The Group determines the relative ratio of its fixed rate and floating rate contracts based on prevailing market conditions.

Contingent liabilities

As at 31 December 2024, the Group did not have any material contingent liabilities.

Material acquisition and disposal of assets, subsidiaries, associates and joint ventures

During the Reporting Period, the Group had no other material acquisition and disposal of assets, subsidiaries, associates and joint ventures, except for the equity interests transfer of wind power and PV power plant projects developed and constructed by the Group in the ordinary course of business.

Future plans for material investment or capital asset

The Group has no future plans for material investment or capital asset as at the date of this announcement.

Significant investments

During the Reporting Period, apart from the Group's investment in the construction of wind power and PV power plants in the ordinary course of business, the Group has no other significant investments.

Events after the balance sheet date

On 6 December 2024, the Company entered into the equity interest transfer agreement with Xinjiang Tianchi Energy Co., Ltd.* (新疆天池能源有限責任公司) ("**Xinjiang Tianchi**") and Zhundong Energy, pursuant to which, Xinjiang Tianchi agreed to sell and the Company agreed to acquire 49% of the equity interest in Zhundong Energy at a consideration of RMB1,507,725,800 determined after arm's length negotiation with reference to the valuation of Zhundong Energy as at the valuation benchmark date of 31 August 2024. On 10 January 2025, the above matter was considered and approved at the first extraordinary general meeting of 2025 of the Company. In February 2025, the equity transfer and business registration procedures were completed. Upon completion of the acquisition, the Company will hold 49% of the equity interest in Zhundong Energy. The sole business of Zhundong Energy is north No. 1 power plant 2×660MW pithead thermal power plant project, which was completed and put into operation in 2019. It is an auxiliary power supply for "Ultra- High Voltage Transmission (特高壓外送)" channel, which can contribute to long-term and stable revenue, help improve the Group's profit structure and enhance the operational resilience and risk resistance. For details, please refer to the Company's announcement dated 6 December 2024 and circular dated 23 December 2024 and poll results announcement dated 10 January 2025.

Save as the above, after 31 December 2024 and up to the date of this announcement, there were no other significant events after the balance sheet date of the Group.

IV. PROSPECTS

Market Prospects

According to the Renewable Energy Report 2024 released by the International Energy Agency (IEA), it is estimated that the annual installed capacity of global renewable energy will continue to grow from 666GW in 2024 to nearly 935GW in 2030. From 2024 to 2030, it is expected that the global installed capacity of renewable energy will increase by more than 5,520GW. By 2030, the annual installed capacity of PV and wind energy is expected to account for 95% of renewable energy installed capacity.

With the increasing global concern about climate change, the continuous advancement of clean energy technology, and the resultant increase in the proportion of clean energy in the global energy structure, new energy will gradually dominate in the total energy consumption and structure and the terminal energy utilization mode in the future, and the broad market prospects will bring good development opportunities for the development of wind power and PV industry.

Business Plan in 2025

With the acceleration of the global energy transition, countries are actively responding to the dual-carbon strategy, adhering to the green and low-carbon transformation, continuously promoting the optimization and adjustment of energy structure, and vigorously promoting the development and utilization of wind and PV resources. Although the imbalance between supply and demand in the PV industry chain is difficult to be completely improved in the short term, the momentum of the new energy industry moving towards high-end, intelligent and green development will continue to accumulate, which will provide broad space for the development of the Group's new energy business. In 2025, the Group will leverage the synergies between upstream and downstream industries, take the initiative to seek change in the face of industry challenges, adhere to taking safety as the top priority and innovation leadership, strengthen product quality and cost control, adhere to digital intelligence drive and talent guarantee, and stimulate new momentum and advantages for high-quality development.

1. Safety Production Plan

The Group insists on "people and safety-oriented" management policy, adhering to the problem-oriented, result-oriented and goal-oriented principle, implementing the relevant regulations on safety production, and firmly upholding the bottom line of safety production. Firstly, the Group will always take safety system construction as the core task of safety management throughout the year, give play to the guiding role of safety performance, improve the safety incentive mechanism, and comprehensively promote the construction and effective operation of standardized safety production management systems across all business sectors. Secondly, focusing on the businesses of production, engineering construction and power station operation, the Group will pay strict attention to the control over major hazard sources, maintenance of key equipment and facilities, management of special operations and integrated management of related parties, strengthen on-site management, enhance source control and implementation, and continuously carry out special rectification activities, so as to realize the Group's safe and controllable production and operation. Thirdly, the Group will continue to promote the development of emergency dispatch command center, HSSE management informatization and intelligent security, continuously enhance its own internal driving force for safety by means of safety informatization, digitalization and intelligentization, and promote the integration of information technology (IT) and operation technology (OT), so as to further improve the Group's emergency command capability and the level of intelligent safety construction. Fourthly, the Group will continue to improve the dual prevention mechanism of risk hierarchical management and control by color as well as investigation and management of hidden hazards, strengthen hazard identification, evaluation, risk hierarchical management and control by color and hidden danger investigation for all employees, continue to carry out safety production training on a regular basis, pay close attention to the implementation of objectives and measures, strictly control accident risks, and effectively enhance accident prevention and control capabilities.

2. Polysilicon Production Plan

In the face of the imbalance between supply and demand in the PV industry and current situation that the polysilicon price is expected to be unable to recover significantly in the short term, the Group will intensify efforts to strengthen internal capabilities by continuously improving quality, reducing costs and enhancing efficiency in polysilicon production, so as to achieve breakthroughs and sustainable development during the severe winter period of the industry. Firstly, the Group will formulate reasonable production plans based on maintenance plans and market conditions, while continuously strengthening the process optimization and improvement and improving the daily maintenance work to ensure lower cost and better quality of polysilicon products. Secondly, the Group will improve the quality standard system according to customer needs, and carry out quality research on the improvement of the distillation system and the optimization of the slurry high-boiling device, in a bid to promote the enhancement of the internal and external quality of polysilicon products. Thirdly, focusing on the stable operation of polysilicon production, the Group will strengthen the establishment of management and control standards, continue to optimize the control of process parameters, accelerate the digital strategic transformation and the construction of digital plants, enhance the automation level of production control, and achieve efficient and stable polysilicon production and operation. Fourthly, the Group will strengthen the cost control of raw materials, gradually reduce the cost of polysilicon through intensive planning on supply chain procurement, price trend analysis for timing purchases and increasing the quality audit of suppliers, and make reasonable use of industrial silicon, polysilicon and other futures hedging means to achieve cost reductions and efficiency enhancement as well as value preservation and appreciation.

3. Plan for Development, Construction, Operation of Wind Power and PV Resources and Manufacturing of Key Equipment

Guided by the market and efficiency, the Group will increase the development, construction and operation scale of PV and wind power resources, striving to enhance the market share and profitability of key equipment such as inverters, and continuously improve the quality of operation. Firstly, in terms of the development and construction of power station resources, the Group will strengthen the analysis of industry policies and market insights, actively explore new business models that meet market demands, such as the integration of generation, grid, load and energy storage, the integration of wind power, PV and hydrogen/ammonia/alcohol storage, industrial and commercial energy storage and low-carbon park transformation, and continue to deepen the control of the whole business process by strategically focusing on some provinces, so as to facilitate the high-quality and efficient transformation of wind power and PV resource reserves. Secondly, in terms of power station construction, with digitalization and intelligentization as the driving force, the Group will comprehensively enhance the operation capability of digital and intelligent assets, continue to promote the construction of the new energy centralized control center, optimize the intelligent operation and maintenance platform, build unmanned demonstration power stations to improve manpower efficiency, and carry out predictive maintenance to improve the efficiency of equipment. The Group will strengthen the interpretation of industry policies, enhance the scientificity and timeliness of power trading strategies, improve the functions and planning of power trading platforms, increase the accuracy of electricity price forecasts, further broaden the range of power trading varieties, expand income generation channels for green electricity and green certificates, and improve power trading capabilities, so as to achieve asset preservation and appreciation and constantly expand new profit growth points. Thirdly, in terms of the manufacturing of key equipment such as inverters, the Group will accelerate the construction of Xi'an digital plant project and its joint commissioning and commercial operation, continuously improving the production capacity, market competitiveness and profitability of inverters and other products. Focusing on quality enhancement and product innovation, the Group will regulate the quality control standards of the supply chain, refine the requirements for the supervision and manufacture of key materials, and accelerate the research on product performance enhancement technology, and the development of new products, so as to strengthen our core competitiveness. Centering on strategic customers of key equipment, the Group will explore customer needs in depth and continue to promote order acquisition, contract performance and delivery. The Group will accelerate business breakthroughs in key overseas countries and regions and capture market share, and continue to improve the construction of overseas supply chain and marketing system, so as to enhance the Group's global brand influence and profitability.

4. Technology Innovation Plan

The Group will focus on quality improvement, cost reduction and efficiency enhancement, adhere to reform and empowerment by seizing development opportunities, continuously expand the breadth and depth of scientific and technological innovation, and cultivate new quality productivity as the core guarantee for the Group's high-quality development, so as to comprehensively enhance its core competitiveness. Firstly, in terms of polysilicon products, the Group will continue to promote the transformation of achievements in scientific research and innovation projects, such as optimization of distillation and purification, efficient removal of high boiling impurities from slurry, improvement of cold hydrogenation efficiency, and digital transformation and innovation in sample plant, so as to continuously improve product quality and reduce production costs. Secondly, in terms of power station construction, by adhering to the policy and market orientation, the Group will strengthen cooperation with the upstream and downstream of the industry chain as well as universities and research institutes, research and form technological solutions for different scenarios and construction plans for technological innovation bases focusing on generation, grid, load and energy storage, grid energy storage, zero-carbon parks and regional R&D and testing centers, and innovate development modes to promote the sustainable growth of resource development. Thirdly, in terms of manufacturing of key equipment such as inverters, based on different power station application scenarios and adhering to product leadership as well as digital and intelligent guidance, the Group will accelerate the R&D, testing and transformation of new product models for inverters, SVG, industrial and commercial energy storage, and FDC Converter Valves on the basis of the value proposition of low levelized power cost, high reliability, grid friendly, intelligent operation and maintenance, so as to continuously enhance market competitiveness.

5. *Human Resources Plan*

Based on the strategic objectives and business planning, the Group will focus on core business shortcomings, talent team building, organizational effectiveness optimization and professional skills cultivation, comprehensively improving talent reserve and organizational efficiency of the Group. Firstly, focusing on the planning of the talent development system, the Group will strengthen the all-round talent service and protection system for attracting, cultivating, employing and retaining employees, enhance talent incentives and performance appraisal and management, and continue to optimize the Group's human resources organizational planning and talent strategy. Secondly, focusing on the core business of each business segment, the Group will precisely introduce and cultivate senior expert talents in niche areas around production and intelligent manufacturing, engineering construction, R&D, quality management and other links in a problem-oriented manner, so as to enhance the overall competitiveness of the talent team and facilitate the efficient development of the Group's various businesses. Thirdly, the Group will continue to promote the establishment of a "dual-channel" mechanism for the talent team, optimize the mechanism for staff selection and qualification evaluation, carry out skills enhancement for the staff, and continue to build up the spirit of craftsmanship, thereby continuously improving job performance and business competencies, promoting joint growth of the Company and its employees.

V. RISK FACTORS AND RISK MANAGEMENT

1. Risks associated with Changes in Policies

Influenced by the active implementation of the global renewable energy development plans and carbon neutrality goals, the new energy industry has been developing rapidly in the past decade. With the increasing maturity of technologies in the new energy industry, the rapid expansion of market size and the continuous decline in costs, the global new energy industry has entered a leapfrog development stage, but the government's support to policies for the new energy industry still has a significant impact on the industry development. Any significant adjustment to the policies for the new energy industry in the future may have an adverse impact on the Group's operations and profitability.

The Group will continue to closely follow up and analyze the introduction of new policies and their impact, and adopt effective and proactive response strategies based on the actual development to minimize the adverse impact of policy changes on the Group.

2. Risks associated with Price of Polysilicon Falling below Cost

The price of polysilicon products is mainly determined by the market supply and demand. If the market situation of imbalance between supply and demand in the polysilicon industry is not fundamentally improved in the near future, resulting in the price of polysilicon products remaining lower than the production cost for a period of time, it will adversely affect the operation and profitability of the Group.

The Group will develop reasonable production plans based on efficiency, market and customer orientation, while continuing to enhance the digitalization level of equipment and process, strengthening lean management, continuously improving the quality of polysilicon products, and reducing energy and material consumption and production costs, so as to further improve the competitiveness of the Group.

3. Risks associated with Technology and New Product Substitution

The polysilicon production process currently adopted by the Group is the improved Siemens approach. With the continuous development of PV industry in the future, the technology route may undergo significant changes. If there is a major subversion of the polysilicon production technology or amorphous silicon PV products become the mainstream of the market, there may be risks associated with technology or new product substitution.

The Group will further establish and improve its technology innovation system, enhance its technology R&D capabilities, strengthen talent building of its technology R&D team, continuously improve the advancement of polysilicon production technology and process to reduce the production costs, improve the product quality as well as the Group's competitiveness.

4. Risks associated with Intensified Market Competition

Due to the increasing acceleration of energy transformation, renewable energy will become the world's most important source of electricity. Against the backdrop of the accelerated development of global new energy and the imbalance between supply and demand in the PV industry in the short term, more and more enterprises are participating in the new production capacity or new business development, enterprises which fall behind in production capacity and lack competitiveness in the industry will be phased out at an accelerated pace, resulting in an increasingly fierce market competition, which may exert an impact on the Group's market share and profitability to a certain extent.

The Group will actively respond to the market challenges, leverage on its strengths, provide customers with high-quality, low-cost and competitive products and services, and continuously optimize its business structure to further consolidate and enhance its industry position.

5. Risk associated with On-grid Tariff Fluctuations

In January 2025, the NDRC and the NEA jointly issued the Notice on Deepening the Market-oriented Reform of New Energy Feed-in Tariff to Promote High-quality Development of New Energy (《關於深化新能源上網電價市場化改革促進新能源高質量發展的通知》), which proposes a comprehensive market-oriented reform on the on-grid tariff of new energy, and implements different price settlement mechanisms for existing and incremental projects to be put into production scheduled on 1 June 2025. New energy power generation will gradually shift from "quantity and price guaranteed" to "market bidding". In this context, future supply and demand fluctuations in the new energy power market will affect transaction prices of power, and thus the uncertainty in tariff revenue of power generation enterprises of new energy will increase, which may have a certain impact on the revenue of operated power plants of the Group. At the same time, it is more difficult to make investment decisions on incremental new energy projects.

The Group will build and develop a professional new energy resource development and operation team to enhance control over the cost per kilowatt hour in the whole life cycle of development, design, construction and operation, and continuously reduce the cost per kilowatt hour. The Group will continue to propel digital transformation and upgrading of operated power plants, improve the accuracy of tariff forecasts, and increase revenue and create benefits from electricity market transactions. It will actively explore energy storage dispatching mechanisms and guarantee the revenue level of new energy resource development and operated power plants of the Group.

6. *Risks associated with Grid Connection and Consumption of PV and Wind Power*

In recent years, while grid connection and consumption of the PV and wind power has been improved to some extent, the regulation capacity of grid system needs to be improved, and the problem of wind and PV power curtailment still existed in certain regions due to limited new energy generation consumption. The above factors will pose a certain impact on the power generation efficiency and effectiveness of the new energy power plants, which may further affect the Group's operating results.

The Group will strengthen the analysis of regional policies and make reasonable plans during the development of wind and PV resources, and will strengthen the development efforts in geographical areas with favorable grid connections and consumption conditions. The Group will learn and master the trading data and rules of the electricity market in the regions where the power stations are operated in a timely manner, strengthen its market analysis and continue to expand resources for power sales. Through modelling and scientific forecasting of market electricity volume and tariffs, the Group is empowered by digital intelligence to guide the formulation of trading strategies to ensure timely consumption of on-grid electricity and continuously improve the quality of power station operations.

7. *Internationalization Risk*

In recent years, with turbulent international situation, intensifying international trade frictions, increasing uncertainties in the international environment, the PV industry has become an advantageous and strategic emerging industry in China, and is also facing a number of uncertainties in the countries where its direct or indirect overseas operations are located, such as the political, legal, economic environment, and local culture, which may have a certain impact on the operation of the Group.

The Group will carry out a comprehensive internationalization risk screening from various aspects such as politics, law, economy and culture through continuous research of overseas policies in the new energy industry and the international economic situation, and after taking into account its business model, strategic planning, etc., strengthen risk management and compliance system construction, so as to actively address the impact of internationalization risk on the Group.

VI. OTHER INFORMATION

Employees

As at 31 December 2024, the Group had a total of 8,077 employees. Remuneration paid to the Group's employees is comprised of basic salary of the respective position and performance-based salary, with the performance-based salary determined based on the performance of the Group and performance assessment results of the employees. The Group also implemented the employee share ownership scheme, realizing the combination of medium to long-term interests of the enterprise and its employees.

The Group values the importance of training and development of its staff. Based on aspects including construction of a team of talents, qualifications of positions, and business requirements, the Group has built a skills improvement system that encompasses all our staff and is relevant to their career paths, based on the career development of different levels and positions. The Group has also taken the training of core personnel involved in technological innovation projects and qualification recognition of grassroots positions as the focus of talent cultivation and development, and through scientific and technological innovations, technological problem-solving and productivity streamlining projects, has expanded the horizon and enriched the knowledge of the workers, and continuously improved their levels of self-cultivation and professional skills.

During the Reporting Period, the Group paid employees remuneration of RMB2,296.66 million in aggregate.

Withdrawal of Application for Proposed A Share Offering

On 5 May 2022, the Company's proposed initial public offering and listing of not exceeding 300,000,000 A shares on the main board of the Shanghai Stock Exchange (the "**SSE**") (the "**Proposed A Share Offering**") and related matters were considered and approved at the general meeting of the Company. The relevant application materials of the Company's Proposed A Share Offering were accepted by the SSE on 4 March 2023, and were reviewed and approved by the listing review committee of the SSE on 19 September 2023 but have not been registered with the China Securities Regulatory Commission.

In view of the current conditions of the industry which the Company is engaged in and the actual circumstances of the Company, on 24 December 2024, the Company has decided to terminate the Proposed A Share Offering and has submitted the listing withdrawal application documents to the SSE after thorough communication and prudent discussion with the sponsor institutions (the "**Withdrawal of Application for the Proposed A Share Offering**"). The SSE has consented to the Withdrawal of Application for the Proposed A Share Offering. The Company originally planned to raise funds through the Proposed A Share Offering for the 200,000-ton-per-annum high-end electronic-grade polysilicon green low-carbon circular economy construction project, of which the phase I 100,000-ton-per-annum project has been completed and commenced production in August 2023 with the Company's self-raised funds. Considering the up-stream and down-stream supply and demand relationships of the current PV industry chain and the market conditions, there is no current construction plan for the phase II 100,000-ton-per-annum project. The Board expects the Withdrawal of Application for the Proposed A Share Offering will have no material adverse impact on the financial position or operation of the Company. For details, please refer to the announcements dated 13 January 2021, 15 March 2022, 28 June 2022, 4 July 2022, 18 November 2022, 6 March 2023, 22 March 2023, 19 September 2023, 27 December 2023 and 24 December 2024, and the circulars dated 19 April 2022 and 24 April 2023 and the poll results announcements dated 5 May 2022 and 10 May 2023 of the Company.

FINAL DIVIDEND

In 2024, due to the imbalance between supply and demand in various links of the PV industrial chain, the market price of polysilicon products fell sharply, and the Group suffered a large loss. It is expected that the price of polysilicon will not be able to rebound significantly in the short term, and thus the future operation and profitability will face significant pressure. In order to reduce the adverse impact of polysilicon market price fluctuations on the results, the Group actively deployed a new profit contribution unit and held the general meeting in January 2025 to consider and approve the transfer of 49% equity interest of Zhundong Energy; at the same time, in order to reduce the cost of electricity, realize the manufacturing of "green products" by use of "green power", and fully utilize the advantages of the new energy circular economy industry chain, the Group will invest in the construction of 3GW new energy project in Zhundong from 2025 to 2026, and the capital expenditure required for the above-mentioned equity transfer and new energy power station investment is relatively large.

Taking into account the development of the polysilicon industry, the Group's production and operation, future strategic planning and capital requirements, the Board recommended that no final dividend shall be declared for the year ended 31 December 2024, in order to enhance the Group's profitability and risk resilience, ensure the smooth implementation of the Group's medium-and long-term development strategies and maximize the interests of the Group and its shareholders.

In the future, the Company will continue to comprehensively consider various factors related to the Company's business development and profit distribution, and share the results of the Company's sustainable development with investors from the perspective of benefiting the development of the Group and investor returns.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the shareholders who are entitled to attend and vote at the forthcoming annual general meeting ("**AGM**") of the Company to be held on Wednesday, 18 June 2025, the register of members of the Company will be closed from Friday, 13 June 2025 to Wednesday, 18 June 2025, both days inclusive, during which period no transfer of shares will be registered. Holders of H shares and domestic shares whose names appear on the register of members of the Company on Wednesday, 18 June 2025 are entitled to attend and vote at the AGM. Holders of H shares who intend to attend and vote at the AGM must lodge all transfer documents accompanied by the relevant H share certificates with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 12 June 2025 for registration. Holders of domestic shares of the Company who intend to attend and vote at the AGM shall lodge all transfer documents accompanied by the relevant domestic share certificates with the office of the Board secretary of the Company at No. 399, South Changchun Road, New Downtown, Urumqi, Xinjiang, the PRC no later than 4:30 p.m. on Thursday, 12 June 2025 for registration.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

As a company listed on the Stock Exchange, the Company is committed to maintaining high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value and accountability. The Company has complied with all the applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules for the year ended 31 December 2024, and adopted the recommended best practices set out therein, if applicable. At the same time, the Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as the code of conduct governing dealings by the directors and the supervisors of the Company in the securities of the Company. Having made specific enquiries, all directors and supervisors of the Company confirmed that each of them had strictly complied with the required standards set out in the Model Code during the Reporting Period. The Company has also set up guidelines in respect of the dealings by its relevant employees (as defined in the Listing Rules) in the Company's securities, which are on terms no less exacting than those in the Model Code. The Company is not aware of any breach of the guidelines by its relevant employees during the Reporting Period.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period.

As at 31 December 2024, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's annual results for the year ended 31 December 2024 and the audited consolidated financial statements for the year ended 31 December 2024 prepared in accordance with the CASBE.

AUDITOR

SHINEWING Certified Public Accountants LLP ("**SHINEWING**") was appointed as auditor of the Company for the year ended 31 December 2024. SHINEWING has audited the consolidated financial statements of the Group for the Reporting Period, which were prepared in accordance with the CASBE. SHINEWING will retire from its office as auditor of the Company at the AGM and, being eligible, will offer itself for re-appointment. A resolution for the re-appointment of SHINEWING as auditor of the Company for the year 2025 will be proposed at the AGM.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.xinteenergy.com) and the 2024 annual report of the Company will be published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Xinte Energy Co., Ltd.
Zhang Jianxin
Chairman

Xinjiang, the PRC
31 March 2025

As at the date of this announcement, the Board consists of Mr. Zhang Jianxin, Mr. Yang Xiaodong and Mr. Hu Weijun as executive directors; Mr. Zhang Xin and Mr. Huang Hanjie as non-executive directors; and Mr. Cui Xiang, Mr. Chen Weiping and Mr. Tam, Kwok Ming Banny as independent non-executive directors.

* *For identification purpose only*