

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- For the six months ended 30 June 2025, the Group's operating revenue amounted to RMB7,310.83 million, representing a decrease of 37.74% over the corresponding period of last year.
- For the six months ended 30 June 2025, the Group's total loss amounted to RMB235.22 million, as compared to the total loss of RMB941.21 million for the corresponding period of last year.
- For the six months ended 30 June 2025, the Group's net loss attributable to shareholders of the listed company amounted to RMB256.29 million, as compared to the net loss attributable to shareholders of the listed company of RMB887.02 million for the corresponding period of last year.
- For the six months ended 30 June 2025, the basic loss per share amounted to RMB0.18, as compared to the basic loss per share of RMB0.62 for the corresponding period of last year.
- The Board did not recommend the declaration of any interim dividend for the six months ended 30 June 2025.

The board of directors (the “**Board**”) of Xinte Energy Co., Ltd. (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**” or “**we**” or “**our**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), together with comparative figures for the corresponding period in 2024. The results were prepared in accordance with the Accounting Standards for Business Enterprises of the People's Republic of China (the “**PRC**” or “**China**”) (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 unaudited consolidated financial statements prepared in accordance with the CASBE. All amounts are denominated in Renminbi (“RMB”).)

CONSOLIDATED BALANCE SHEET

Items	Notes	30 June 2025	31 December 2024
Current assets:			
Monetary capital		11,956,862,100.96	11,663,084,839.76
Clearing settlement funds		—	—
Loans to other banks		—	—
Financial assets held for trading		74,405,718.19	78,940,678.80
Derivative financial assets		—	—
Notes receivable	4	658,538,312.30	1,000,881,742.08
Accounts receivable	5	5,544,868,382.45	5,058,443,314.06
Receivables financing	6	411,745,975.28	1,151,997,262.66
Prepayments		2,140,839,487.55	506,194,611.41
Premiums receivable		—	—
Reinsurance accounts receivable		—	—
Reinsurance contract reserve receivable		—	—
Other receivables		365,027,563.10	427,546,014.72
Including: Interests receivable		—	—
Dividends receivable		105,505,807.86	106,296,344.58
Financial assets held under resale agreements		—	—
Inventories		4,427,543,725.28	4,725,097,705.71
Contract assets		1,610,461,297.60	2,369,842,664.10
Assets held for sale		—	—
Non-current assets due within one year		—	—
Other current assets		1,061,482,969.58	1,650,806,253.10
Total current assets		28,251,775,532.29	28,632,835,086.40

CONSOLIDATED BALANCE SHEET (*Continued*)

Items	Notes	30 June 2025	31 December 2024
Non-current assets:			
Loans and advances		—	—
Debt investments		—	—
Other debt investments		—	—
Long-term receivables		—	—
Long-term equity investments		2,654,341,480.89	873,273,826.17
Other equity instrument investments		121,824,188.20	121,824,188.20
Other non-current financial assets		—	—
Investment properties		—	—
Fixed assets		40,627,953,324.34	41,000,088,297.20
Construction in progress		6,012,647,849.52	5,124,457,555.11
Productive biological assets		—	—
Oil and gas assets		—	—
Right-of-use assets		371,570,344.89	309,812,191.72
Intangible assets		1,479,573,298.71	1,452,357,894.94
Development expenses		—	—
Goodwill		—	—
Long-term deferred expenses		32,860,895.66	32,900,747.35
Deferred income tax assets		1,385,043,561.17	1,343,338,959.91
Other non-current assets		2,910,760,166.09	2,789,697,449.76
Total non-current assets		55,596,575,109.47	53,047,751,110.36
Total assets		83,848,350,641.76	81,680,586,196.76

CONSOLIDATED BALANCE SHEET (*Continued*)

Items	Notes	30 June 2025	31 December 2024
Current liabilities:			
Short-term borrowings	7	2,331,547,740.16	610,425,093.20
Borrowing from central bank		—	—
Loans from other banks		—	—
Financial liabilities held for trading		4,335,096.35	47,711,848.71
Derivative financial liabilities		—	—
Notes payable	8	5,242,964,168.72	7,569,903,513.31
Accounts payable	9	10,226,621,188.25	10,870,449,359.21
Advances received		—	—
Contract liabilities		2,557,123,206.99	2,164,684,531.16
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		715,344,369.55	792,851,622.02
Taxes payable		332,314,129.99	429,038,910.22
Other payables		520,856,952.92	440,617,877.53
Including: Interests payable		—	—
Dividends payable		—	—
Handling fees and commission payable		—	—
Reinsurance accounts payable		—	—
Liabilities held for sale		—	—
Non-current liabilities due within one year		3,386,983,588.10	2,507,216,231.35
Other current liabilities		152,834,625.42	258,592,958.76
Total current liabilities		25,470,925,066.45	25,691,491,945.47

CONSOLIDATED BALANCE SHEET (*Continued*)

Items	Notes	30 June 2025	31 December 2024
Non-current liabilities:			
Provision for insurance contracts		—	—
Long-term borrowings	7	19,685,742,599.15	19,072,968,954.91
Bonds payable		—	—
Including: Preference shares		—	—
Perpetual bonds		—	—
Lease liabilities		357,573,884.56	255,392,622.22
Long-term payables		—	—
Long-term staff remuneration payables		—	—
Accrued liabilities		315,286,286.97	260,686,999.54
Deferred income		470,859,474.44	561,491,229.27
Deferred income tax liabilities		460,748,291.49	460,969,368.31
Other non-current liabilities		82,082,856.29	83,859,832.43
Total non-current liabilities		21,372,293,392.90	20,695,369,006.68
Total liabilities		46,843,218,459.35	46,386,860,952.15
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	9,833,949,220.16
Less: Treasury shares		—	—
Other comprehensive income		-104,054,358.52	-135,337,283.02
Special reserve		67,106,960.43	41,180,844.93
Surplus reserve		981,955,892.67	981,955,892.67
General risk reserve		—	—
Undistributed profit		20,385,300,687.46	20,641,591,615.72
Total equity attributable to the shareholders of the parent company		32,594,258,402.20	32,793,340,290.46
Non-controlling interest		4,410,873,780.21	2,500,384,954.15
Total shareholders' equity		37,005,132,182.41	35,293,725,244.61
Total liabilities and shareholders' equity		83,848,350,641.76	81,680,586,196.76

CONSOLIDATED INCOME STATEMENT

Items	Notes	From January to June 2025	From January to June 2024
I. Total operating revenue		7,310,831,374.67	11,743,103,757.41
Including: Operating revenue	10	7,310,831,374.67	11,743,103,757.41
Interest income		—	—
Premium earned		—	—
Handling fees and commission income		—	—
II. Total operating cost		7,820,898,513.81	11,731,701,928.41
Including: Operating cost	10	6,642,314,531.79	10,450,027,917.63
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		118,768,062.96	85,047,487.42
Selling expenses		265,815,736.26	282,978,929.71
Administrative expenses		356,168,892.94	452,042,055.77
R&D expenses		157,135,807.73	181,165,461.90
Financial expenses		280,695,482.13	280,440,075.98
Including: Interest expenses		351,174,534.29	359,010,352.37
Interest income		69,184,158.34	95,038,817.76
Add: Other revenue		58,773,572.61	75,460,002.51
Investment income (loss is represented by “-”)		422,199,617.24	-7,561,736.63
Including: Investment income from associates and joint ventures		271,246,455.86	10,264,927.39
Gains from derecognition of financial assets measured at amortized cost		—	—
Gains from foreign exchange (loss is represented by “-”)		—	—
Gains from net exposure to hedging (loss is represented by “-”)		—	—
Gain on changes in fair value (loss is represented by “-”)		6,039,935.00	638,258.56
Impairment loss of credit (loss is represented by “-”)		8,027,739.65	-48,744,982.84
Impairment loss of assets (loss is represented by “-”)		-252,345,334.91	-984,315,499.18
Gains from disposal of assets (loss is represented by “-”)		13,959,000.24	-516,322.72

CONSOLIDATED INCOME STATEMENT *(Continued)*

Items	Notes	From January to June 2025	From January to June 2024
III. Operating profit (loss is represented by “-”)		-253,412,609.31	-953,638,451.30
Add: Non-operating revenue		19,174,457.57	14,538,403.87
Less: Non-operating expenses		984,089.63	2,112,112.32
IV. Total profit (total loss is represented by “-”)		-235,222,241.37	-941,212,159.75
Less: Income tax expense	11	72,135,424.61	-93,396,708.43
V. Net profit (net loss is represented by “-”)		-307,357,665.98	-847,815,451.32
(I) Classified by continuity of operations			
1. Net profit from continuing operations (net loss is represented by “-”)		-307,357,665.98	-847,815,451.32
2. Net profit from discontinued operation (net loss is represented by “-”)		—	—
(II) Classified by ownership			
1. Net profit attributable to owners of the parent company (net loss is represented by “-”)		-256,290,928.26	-887,017,482.05
2. Profit or loss attributable to non-controlling interests (net loss is represented by “-”)		-51,066,737.72	39,202,030.73
VI. Net other comprehensive income after tax		31,292,976.69	512,775.69
Net other comprehensive income after tax attributable to owners of the parent company		31,282,924.50	388,427.59
(I) Other comprehensive income not reclassified to profit or loss		29,304,175.97	—
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		29,304,175.97	—
4. Changes in fair value of own credit risk of the Company		—	—
5. Others		—	—

CONSOLIDATED INCOME STATEMENT *(Continued)*

Items	Notes	From January to June 2025	From January to June 2024
(II) Other comprehensive income to be reclassified to profit or loss		1,978,748.53	388,427.59
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)		3,651,606.31	—
6. Exchange differences on translation of financial statements in foreign currency		-1,672,857.78	388,427.59
7. Others		—	—
Net other comprehensive income after tax attributable to non-controlling interest		10,052.19	124,348.10
VII. Total comprehensive income		-276,064,689.29	-847,302,675.63
Total comprehensive income attributable to shareholders of the parent company		-254,312,179.73	-886,629,054.46
Total comprehensive income attributable to non-controlling interests		-51,056,685.53	39,326,378.83
VIII. Earnings per share:	12		
(I) Basic earnings per share (RMB/share)		-0.1792	-0.6203
(II) Diluted earnings per share (RMB/share)		-0.1792	-0.6203

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was established in the PRC on 20 February 2008 as a limited liability company, and was converted into a joint stock company with limited liability on 16 October 2012. The H shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 30 December 2015. The registered address of the Company 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 is 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 (“**DC**”) transmission converter valves (“**FDC Converter Valve**”).

This consolidated interim financial information is presented in RMB, unless otherwise stated, and is approved for issue by the Board on 29 August 2025.

This consolidated interim financial information has not been audited.

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 (the “CASBE”) and its application guidance, interpretations and other related requirements issued by the Ministry of Finance of the People’s Republic of China (“MOF”) and relevant disclosure provisions under the Hong Kong Companies Ordinance and the Listing Rules of the Stock Exchange.

2.2 Going concern

The Group has a recent history of profitable operation and financial resources to support its operation, and believes that it is reasonable to prepare the financial statements on a going concern basis.

2.3 Changes in significant accounting policies and accounting estimates

(1) **Changes in significant accounting policies:** Nil.

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

3. SEGMENT INFORMATION

The chief operating decision maker (“CODM”) 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 CODM considers 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 represent sales of materials, by-products, and other miscellaneous services.

Due to the significant increase in sales volume of the Group's electrical equipment business such as inverters and SVG since 2024, in accordance with the relevant provisions of CASBE No. 35 — Segment Reporting, the external transaction revenue of the electrical equipment business accounted for more than 10% of the total revenue of the Group, therefore, starting from the 2024 annual report, this business was subdivided from the “Other” segment and presented separately as the “Electrical Equipment” segment to disclose information about this business segment. This Reporting Period also separately disclosed the electrical equipment segment and adjusted the reporting of segment information from the corresponding period of the previous year for reference.

The CODM assesses the performance of the operating segments based on revenue and gross profit margin. The elimination transactions between segments are carried out based on terms and conditions mutually agreed upon between the relevant parties. The measurement of segment revenue and results reported to the CODM are in a manner consistent with that in the consolidated income statement. The amounts provided to the CODM 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.

(1) Segment revenue and results

Items	Polysilicon	Recognized in current period				Inter-segment elimination	Total
		Construction of wind power and PV power plants	Operation of wind power and PV power plants	Electrical equipment	Others		
Operating revenue	997,762,813.62	4,942,559,278.22	1,381,124,682.19	1,644,552,899.88	290,720,987.77	-1,945,889,287.01	7,310,831,374.67
Including: Revenue from external transactions	978,723,192.98	3,340,558,617.67	1,305,865,033.46	1,463,781,869.39	221,902,661.17	—	7,310,831,374.67
Revenue from inter-segment transactions	19,039,620.64	1,602,000,660.55	75,259,648.73	180,771,030.49	68,818,326.60	-1,945,889,287.01	—
Gross profit	<u>-1,033,128,468.18</u>	<u>678,314,401.38</u>	<u>745,214,818.00</u>	<u>235,709,740.90</u>	<u>42,406,350.78</u>	<u>—</u>	<u>668,516,842.88</u>

Items	Polysilicon	Recognized in previous period (Adjusted)				Inter-segment elimination	Total
		Construction of wind power and PV power plants	Operation of wind power and PV power plants	Electrical equipment	Others		
Operating revenue	5,873,527,792.98	4,808,340,637.47	1,263,116,823.04	1,289,577,064.78	973,210,360.18	-2,464,668,921.04	11,743,103,757.41
Including: Revenue from external transactions	5,867,106,376.42	3,206,643,920.42	1,241,727,601.44	1,068,636,355.94	358,989,503.19	—	11,743,103,757.41
Revenue from inter-segment transactions	6,421,416.56	1,601,696,717.05	21,389,221.60	220,940,708.84	614,220,856.99	-2,464,668,921.04	—
Gross profit	<u>-455,970,702.29</u>	<u>620,355,448.68</u>	<u>733,239,330.17</u>	<u>321,221,503.70</u>	<u>74,230,259.52</u>	<u>—</u>	<u>1,293,075,839.78</u>

(2) Segment assets and liabilities

30 June 2025	Polysilicon	Construction of wind power and PV power plants	Operation of wind power and PV power plants	Electrical equipment	Others	Inter-segment elimination	Total
Total assets	<u>64,298,306,412.38</u>	<u>8,595,987,318.07</u>	<u>31,135,781,536.48</u>	<u>5,915,222,565.43</u>	<u>2,084,788,378.85</u>	<u>-28,181,735,569.44</u>	<u>83,848,350,641.76</u>
Long-term equity investments (investments in associates and joint ventures)	2,265,495,640.29	605,005,038.89	—	—	—	-216,159,198.29	2,654,341,480.89
Increase in non-current assets (other than long-term equity investments)	-1,265,147,721.20	60,356,832.68	655,027,511.90	25,053,527.85	42,362,380.59	1,250,103,812.57	767,756,344.39
Total liabilities	<u>24,013,454,918.35</u>	<u>12,828,898,734.47</u>	<u>22,102,547,170.59</u>	<u>4,934,059,037.43</u>	<u>1,156,553,771.07</u>	<u>-18,192,295,172.56</u>	<u>46,843,218,459.35</u>

31 December 2024	Polysilicon	Construction of wind power and PV power plants	Operation of wind power and PV power plants	Electrical equipment	Others	Inter-segment elimination	Total
Total assets	<u>48,102,740,445.00</u>	<u>26,624,353,597.75</u>	<u>28,664,089,798.09</u>	<u>7,632,773,762.85</u>	<u>2,112,031,388.24</u>	<u>-31,455,402,795.17</u>	<u>81,680,586,196.76</u>
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
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
Total liabilities	<u>15,789,265,339.43</u>	<u>13,205,117,183.82</u>	<u>21,914,538,434.88</u>	<u>5,448,290,711.24</u>	<u>1,695,420,489.89</u>	<u>-11,665,771,207.11</u>	<u>46,386,860,952.15</u>

4. NOTES RECEIVABLE

(1) Notes receivable by category

Items	Closing balance	Opening balance
Bank acceptance notes	152,920,715.86	388,504,071.71
Trade acceptance notes	505,617,596.44	612,377,670.37
Total	<u>658,538,312.30</u>	<u>1,000,881,742.08</u>

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

Items	Pledged amount at the end of the period
Bank acceptance notes	279,147,247.49
Trade acceptance notes	—
Total	<u>279,147,247.49</u>

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

Items	Amount derecognized at the end of the period	Amount not derecognized at the end of the period
Bank acceptance notes	81,937,287.81	21,243,185.79
Trade acceptance notes	—	1,136,956.74
Total	<u>81,937,287.81</u>	<u>22,380,142.53</u>

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

Nil.

(5) Method of provision for bad debts by category

Category	Book balance		Closing balance Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debt provision made on individual basis	—	—	—	—	—
Bad debt provision made on a collective basis	665,190,214.45	100.00	6,651,902.15	1.00	658,538,312.30
Including: Bank acceptance notes	154,465,369.56	23.22	1,544,653.70	1.00	152,920,715.86
Trade acceptance notes	510,724,844.89	76.78	5,107,248.45	1.00	505,617,596.44
Total	<u>665,190,214.45</u>	<u>100.00</u>	<u>6,651,902.15</u>	<u>—</u>	<u>658,538,312.30</u>

Category	Book balance		Opening balance Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
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	<u>1,010,991,658.66</u>	<u>100.00</u>	<u>10,109,916.58</u>	<u>—</u>	<u>1,000,881,742.08</u>

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

Category	Opening balance	Changes of the current period			Closing balance
		Accrued	Recovered or reversed	Carry-forward or written off	
Bank acceptance notes	3,924,283.55	-2,379,629.85	—	—	1,544,653.70
Trade acceptance notes	6,185,633.03	-1,078,384.58	—	—	5,107,248.45
Total	10,109,916.58	-3,458,014.43	—	—	6,651,902.15

(7) Notes receivable written off in the current period

Nil.

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

The aging of the above notes receivable at the end of the period of the Group were all within 365 days.

5. ACCOUNTS RECEIVABLE

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

Category	Book balance		Closing balance Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Bad debt provision made on individual basis	92,565,816.17	1.51	92,565,816.17	100.00	—
Bad debt provision made on a collective basis	6,030,308,459.02	98.49	485,440,076.57	8.05	5,544,868,382.45
Including: Portfolio of aging	2,722,427,343.58	44.46	278,899,896.59	10.24	2,443,527,446.99
Portfolio of electricity and subsides	3,307,881,115.44	54.02	206,540,179.98	6.24	3,101,340,935.46
Total	6,122,874,274.19	100.00	578,005,891.74	—	5,544,868,382.45

Category	Book balance		Opening balance Provision for bad debts		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
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	<u>5,630,067,789.49</u>	<u>100.00</u>	<u>571,624,475.43</u>	<u>—</u>	<u>5,058,443,314.06</u>

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

Name	Book balance	Closing balance	
		Provision for bad debts	Provision percentage (%)
Reduction or cancellation of electricity price subsidies for some projects	<u>92,565,816.17</u>	<u>92,565,815.17</u>	<u>100.00</u>

2) *Bad debt provision made on accounts receivable on collective basis*

Aging	Accounts receivable	Closing balance	
		Bad debt provision	Provision percentage (%)
Within 1 year (inclusive)	1,992,862,223.99	39,909,944.66	2.00
1 year to 2 years (inclusive)	88,502,917.46	4,425,145.87	5.00
2 years to 3 years (inclusive)	272,224,992.01	54,444,998.41	20.00
3 years to 4 years (inclusive)	181,285,436.24	54,385,630.87	30.00
4 years to 5 years (inclusive)	123,635,194.14	61,817,597.07	50.00
Over 5 years	63,916,579.74	63,916,579.71	100.00
Total	<u>2,722,427,343.58</u>	<u>278,899,896.59</u>	<u>—</u>

Aging	Accounts receivable	Opening balance	Provision percentage (%)
		Bad debt provision	
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	<u>2,485,204,509.04</u>	<u>299,458,548.24</u>	<u>—</u>

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

Item	Accounts receivable	Closing balance	Provision percentage (%)
		Bad debt provision	
Portfolio of electricity and subsidiaries	<u>3,307,881,115.44</u>	<u>206,540,179.98</u>	<u>6.24</u>

Item	Accounts receivable	Opening balance	Provision percentage (%)
		Bad debt provision	
Portfolio of electricity and subsidiaries	<u>3,052,297,464.28</u>	<u>179,600,111.02</u>	<u>5.88</u>

(2) **Accounts receivable by aging**

Aging	Closing balance	Opening balance
Within 1 year (inclusive)	2,796,907,906.26	2,369,836,102.92
1 year to 2 years (inclusive)	752,883,248.88	884,512,706.36
2 years to 3 years (inclusive)	759,437,771.22	902,927,862.55
3 years to 4 years (inclusive)	846,260,761.37	770,794,973.24
4 years to 5 years (inclusive)	522,757,746.45	327,112,752.16
Over 5 years	444,626,840.01	374,883,392.26
Total	<u>6,122,874,274.19</u>	<u>5,630,067,789.49</u>

Note: Accounts receivable are presented by aging based on recording dates.

(3) **Bad debt provision for accounts receivable**

Category	Opening balance	Accrued	Changes of the current period		Others	Closing balance
			Recovered or reversed	Carry-forward or written off		
Bad debt provision made on accounts receivable	<u>571,624,475.43</u>	<u>10,428,045.30</u>	<u>—</u>	<u>3,887,371.33</u>	<u>-159,257.66</u>	<u>578,005,891.74</u>
Total	<u>571,624,475.43</u>	<u>10,428,045.30</u>	<u>—</u>	<u>3,887,371.33</u>	<u>-159,257.66</u>	<u>578,005,891.74</u>

Note: During the Reporting Period, the amount of other changes in bad debt provision decreased by RMB159,257.66, due to the transfer of certain subsidiaries which were engaged in the construction and operation of PV and wind power stations by the Company.

6. RECEIVABLES FINANCING

Items	Closing balance	Opening balance
Notes receivable	411,745,975.28	1,151,997,262.66
Total	<u>411,745,975.28</u>	<u>1,151,997,262.66</u>

7. BANK AND OTHER BORROWINGS STRUCTURE AND MATURITY

(1) Borrowings structure

Borrowing category	Closing balance	Opening balance
Credit borrowings	9,284,080,119.57	5,034,654,329.26
Secured borrowings	3,767,100,000.00	4,004,344,777.83
Guaranteed borrowings	366,000,000.00	366,000,000.00
Pledged borrowings	4,186,570,282.00	3,989,021,301.96
Secured and pledged borrowings	7,667,477,236.00	8,207,734,821.90
Factoring borrowings	122,947,347.29	1,250,000.00
Notes discounted borrowings	2,609,024.00	579,154,009.87
Total	<u>25,396,784,008.86</u>	<u>22,182,159,240.82</u>

(2) Maturity profile of the borrowings

Maturity date	Closing balance	Opening balance
Within 1 year (inclusive)	5,521,205,761.49	3,109,190,285.91
1 to 2 years (inclusive)	3,410,128,667.73	3,387,549,367.71
2 to 5 years (inclusive)	7,501,643,828.79	7,813,835,581.02
Over 5 years	8,963,805,750.85	7,871,584,006.18
Total	<u>25,396,784,008.86</u>	<u>22,182,159,240.82</u>

8. NOTES PAYABLE

Category	Closing balance	Opening balance
Bank acceptance notes	5,071,076,516.18	7,495,802,932.28
Trade acceptance notes	171,887,652.54	74,100,581.03
Total	<u>5,242,964,168.72</u>	<u>7,569,903,513.31</u>

Note: The aging of all the Group's notes payable above as at the end of the period is within 180 days.

9. ACCOUNTS PAYABLE

Items	Closing balance	Opening balance
Total of accounts payable	10,226,621,188.25	10,870,449,359.21
Including: Over 1 year	<u>4,972,056,944.42</u>	<u>4,737,315,365.37</u>

Note: Accounts payable are presented by aging based on recording dates.

10. OPERATING REVENUE AND OPERATING COST

Items	Amount recognized in current period	
	Revenue	Cost
Main businesses	7,145,709,430.05	6,517,225,631.42
Other business	165,121,944.62	125,088,900.37
Total	<u>7,310,831,374.67</u>	<u>6,642,314,531.79</u>

Items	Amount recognized in previous period	
	Revenue	Cost
Main businesses	11,457,217,296.38	10,226,374,043.67
Other business	285,886,461.03	223,653,873.96
Total	<u>11,743,103,757.41</u>	<u>10,450,027,917.63</u>

11. INCOME TAX EXPENSES

Items	Amount recognized in current period	Amount recognized in previous period
Current income tax expense	106,033,657.03	244,612,665.82
Deferred income tax expenses	-33,898,232.42	-338,009,374.25
Total	<u>72,135,424.61</u>	<u>-93,396,708.43</u>

12. RETURN ON NET ASSETS AND EARNINGS PER SHARE

Profit for the Reporting Period	Weighted average return on net assets (%)	Earnings per share (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the parent company (loss is represented by “-”)	-0.7839	-0.1792	-0.1792
Net profit attributable to ordinary shareholders of the parent company after deducting non-recurring profit or loss (loss is represented by “-”)	-0.7289	-0.1666	-0.1666

13. DIVIDEND

On 18 June 2025, the 2024 annual general meeting of the Company considered and approved the profit distribution plan for 2024, and decided not to declare a final dividend for the year ended 31 December 2024.

The Board did not recommend the declaration of any interim dividend for the six months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

I. REVIEW OF INDUSTRY DEVELOPMENT STATUS

Renewable energy has generally maintained a favorable trend of rapid development, high utilization, and high-quality consumption in recent years, playing a vital role in ensuring power supply and promoting energy transformation. In the first half of 2025, China's cumulative installed capacity of wind and PV power generation exceeded that of thermal power generation historically, and the new energy industry has made a significant contribution to building a diversified and green energy supply.

Despite the long-term positive development trend of the new energy industry, the supply and demand imbalance in various links of the PV industry has not notably improved, and the PV industry chain has entered a period of extensive adjustment where manufacturers were trapped in the dilemma of involuted competition, with product prices remaining sluggish and short-term operating pressures being prominent.

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

- In January 2025, the National Development and Reform Commission of the People's Republic of China ("NDRC") and the National Energy Administration of the People's Republic of China ("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》) ("Document No. 136"). The document proposes deepening the market-oriented reform of new energy feed-in tariff to give play to the decisive role of the market in resource allocation and promote the quality development of new energy, based on the overall principles of market-oriented price establishment, fair responsibility sharing, differentiation between existing and incremental power, and coordinated policies. This will promote the full entry of on-grid electricity generated from new energy sources, such as wind power and solar power, into the electricity market, with prices established through market transactions. Simultaneously, a price difference settlement mechanism will be established outside the market to support the sustainable development of new energy, so as to differentiate between existing and incremental projects to implement policies by category, maintain policy consistency for existing projects, and stabilize the expected returns of incremental projects. The document also proposes strengthening the coordination between reform and environmental optimization, resolutely rectifying improper interference in the electricity market, prohibiting unreasonable cost allocations to new energy sources, and prohibiting the use of energy storage as a precondition for the approval, grid

connection, and on-grid of newly built new energy projects. As of the end of June 2025, provinces and autonomous regions such as Liaoning, Hebei, Guangdong, Guangxi, Inner Mongolia, and Xinjiang have implemented Document No. 136 and officially released specific implementation plans.

- In February 2025, the NEA issued the Guiding Opinions on Energy Work in 2025* (《2025年能源工作指導意見》), which outlines the goals and key tasks for 2025 around energy security and green, low-carbon transformation. The overall goal is to reach over 3.6 billion kW of total installed power generation capacity nationwide by 2025, with an increase of over 200 million kW of new energy power generation capacity, generating approximately 10.6 trillion kWh of electricity. By 2025, the proportion of non-fossil energy power generation capacity will increase to approximately 60%, and the proportion of non-fossil energy in total energy consumption will increase to approximately 20%. The government will actively and steadily promote the green, low-carbon transformation of new energy by promoting the construction of the second and third batches of large-scale wind power and PV power bases in the “dessert, gobi and barren land” and integrated water, wind, and solar power bases in major river basins. The layout of new energy and key industries will be coordinated where renewable energy substitution initiatives will be implemented in key sectors such as industry and transportation and support will be provided for the construction of zero-carbon industrial parks and integrated PV buildings, promoting local consumption of new energy. The government will deepen energy reform and legal construction, innovate new energy pricing mechanisms and consumption methods, and promote the full participation of new energy in the market to realize its transformation from guaranteed purchase to market-oriented consumption; study and formulate direct green power supply policy measures, issue policy documents for high-quality development of the renewable energy green electricity certificate (“**Green Certificate**”) market, implement green electricity consumption promotion mechanisms, improve the consumption responsibility weight system to strengthen user responsibility, and establish a market mechanism that adapts to the participation of new energy storage and virtual power plants.

- In March 2025, the State Council of the People’s Republic of China (the “**State Council**”) released the 2025 Government Work Report of the State Council, which points out that in 2025, the government shall actively and steadily promote carbon peak and carbon neutrality, carry out the second batch of national carbon peak pilot projects in a solid manner, and establish a number of zero-carbon parks and zero-carbon factories; accelerate the construction of a dual-control system for carbon emissions, expand the industry coverage of the national carbon emissions trading market, carry out carbon emissions statistics and accounting, establish a product carbon footprint management system and a carbon labeling certification system to actively respond to green trade barriers; facilitate the construction of new energy bases in the “dessert, gobi and barren land”, develop offshore wind power, and coordinate the construction of local consumption and external transmission channels.
- In March 2025, the NDRC, the NEA, the Ministry of Industry and Information Technology of the People’s Republic of China, the Ministry of Commerce of the People’s Republic of China, and the National Data Administration jointly issued the Opinions on Promoting the High-Quality Development of the Renewable Energy Green Electricity Certificate Market* (《關於促進可再生能源綠色電力證書市場高質量發展的意見》). The opinions provide detailed guidance on stabilizing the market supply of Green Certificate, improving the Green Certificate trading mechanism, expanding the application scenarios of Green Certificate, and promoting the internationalization of Green Certificate applications. It proposes that by 2027, the Green Certificate market trading system and other systems will become basically complete, achieving national smooth flow of the Green Certificate; by 2030, the Green Certificate market system will become more robust and be operating efficiently, the international application of Green Certificate will be effectively realized, and the environmental value of green electricity will be reasonably reflected, giving strong support to the development of renewable energy and green transformation of the economy and society.

- In May 2025, the NDRC and the NEA jointly issued the Notice on Matters Concerning Orderly Promotion of the Development of Direct Green Power Supply* (《關於有序推動綠電直連發展有關事項的通知》). The document clarifies that direct green power supply refers to a model under which new energy sources such as wind power, solar power, and biomass power generation are not directly connected to the public grid but instead green power is supplied to a single power user through direct lines, enabling clear physical traceability of the supplied power. The document also regulates the safety management, grid connection, dispatching operation, trading, and pricing mechanisms of direct green power supply projects. The direct green power supply projects aim to meet the green energy needs of enterprises and enhance the local consumption of new energy. They are constructed and operated according to the principles of safety priority, environmental friendliness, equal rights and responsibilities, and source-load matching, assuming safety, economic, and social responsibilities in a fair and reasonable manner. The direct green power supply projects enjoy equal market status. The proportion of annually self-generated and self-consumed electricity from new energy as a whole shall be no less than 60% of total available power generation and no less than 30% of total electricity consumption. This proportion of self-generation and self-consumption electricity should be continuously increased, reaching no less than 35% by 2030.

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 approximately 596,000 tons in the first half of 2025, representing a significant year-on-year decrease of 44.1%. The price of polysilicon in the PRC experienced a downward trend under pressure with the average price of N-type refeeding materials decreasing from RMB41,500/ton (tax included) at the beginning of January 2025 to RMB34,700/ton (tax included) at the end of June 2025, representing a decrease of 16.4%. The price of products has been running below the average cost of the industry for over one year, and the polysilicon industry was in a state of sustained loss.

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

According to the statistics from the NEA, the newly installed power generation capacity in China was approximately 293GW in the first half of 2025, representing a significant increase as compared to approximately 140GW for the corresponding period of last year. As of the end of June 2025, China's cumulative installed power generation capacity was approximately 3,648GW, representing a year-on-year increase of 18.7%, of which the cumulative installed power generation capacity of wind power and solar power reached 1,673GW, exceeding the cumulative installed capacity of thermal power historically.

The newly installed PV power capacity in China was approximately 212GW in the first half of 2025, representing a year-on-year increase of approximately 107%. As of the end of June 2025, China's accumulative installed PV power generation capacity reached approximately 1,100GW.

The newly installed wind power capacity in China was approximately 51GW in the first half of 2025, representing a year-on-year increase of approximately 99%. As of the end of June 2025, the accumulative installed wind power capacity in China reached approximately 573GW.

II. PRINCIPAL BUSINESS OPERATIONS OF THE GROUP

During the Reporting Period, the Group reasonably formulated its polysilicon production plan, deepened efforts to improve the quality and reduce the cost of polysilicon production, and continued to vigorously advance the development, construction and operation of PV and wind power resources as well as the key equipment manufacturing business. The two thermal power projects in which the Group has equity participation have become its new revenue contributing units, further enhancing the Group's operational resilience and risk-resistance capability.

During the Reporting Period, the Group achieved revenue from operations of RMB7,310.83 million, net loss of RMB307.36 million and the net loss attributable to shareholders of the listed company of RMB256.29 million, representing a reduction in loss as compared to the net loss attributable to shareholders of the listed company of RMB887.02 million for the corresponding period of last year.

1. Polysilicon Production

In response to the severe challenges that PV industry was in deep adjustment, the Group had carried out controlled production, coupled with economic calculations and overhaul and technological transformation plans. In the first half of 2025, the Group achieved an output of 33,600 tons of polysilicon, representing a decrease of approximately 77% over the corresponding period of last year. The Group actively implemented the measures to improve the quality and reduce the cost such as refined parameter management, process optimization, the improvement of equipment performance and digital intelligence empowerment, achieving the decrease in production cost per unit of polysilicon production capacity of approximately 18% as compared to the corresponding period of last year. The Group has carried out technical transformation of energy saving, quality improvement and cost reduction in polysilicon equipment, process technology, digital control and others to lower costs and enhance the quality of our products; the Group has conducted daily maintenance on production facilities, carried out overhaul projects and hazard elimination to implement full-cycle management of equipment and ensure that production facilities are capable of long-term stable and safe operation.

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

In the first half of 2025, the Group closely focused on national policy guidance and adhered to centralized, distributed and decentralized power plant development models in parallel. At the same time, the Group thoroughly analyzed the spirit of Document No. 136, tracked and scientifically analyzed the direction of mechanism-based electricity pricing policies in various regions, and enhanced the scientific and effective nature of decisions on project investment. The Group optimized the structure of the self-operated new energy power plants and improved the asset quality and operational efficiency of the plants. By establishing a comprehensive cost control ledger and project review dashboard, the Group achieved visual evaluation and correction of core parameters from project proposal stage, assessment stage, and concept stage. The Group optimized cost reduction mechanisms and completed process system optimization during the construction drawing phase, continuously driving cost reduction in project construction. During the Reporting Period, the Group accelerated the construction of 3GW new energy projects in Zhundong. After the completion of the project construction, part of the green power generated 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 1.35GW.

In the first half of 2025, the Group continued to improve the economic benefits of the operation of new energy power plants. By leveraging digital transformation, centralized monitoring and unmanned operation, the Group constantly reduced operation and maintenance costs. Through the application of digital preventive maintenance technology, the Group effectively minimized power generation loss. By actively participating in green power trading and cross-provincial power transactions, the Group improved electricity prices, thereby increasing revenue and creating benefits for the operation of power plants. As of the end of June 2025, the Group had over 4GW of operated power plants projects which have achieved grid-connected power generation, achieved an increase of approximately 17% in on-grid electricity as compared to the corresponding period of last year.

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

In the first half of 2025, the Group continued to increase its focus on the development of manufacturing business for key equipment such as inverters, SVG and FDC Converter Valves. The Group continued to improve the flexibility and standardization of power electronic products and scene matching by promoting production line automation and less humanized equipment transformation and upgrading, strengthening the lean control, digital management, and modular production levels of the production process, and promoting the improvement of human efficiency and optimal allocation of resources in multiple dimensions to achieve quality improvement, cost reductions, and efficiency enhancement. The Group continued to drive forward the construction of its Xi'an digital factory project, which, upon completion, will add new automatic inverter production lines and warehousing and logistics systems, further enhancing the production capacity of inverter products. At the same time, the Group focused on customer needs and continuously increased its efforts to explore markets. The shipment of the inverter further increased over the corresponding period of last year, and the Group won approximately 70% bids for inverters of large central enterprises customers, ranking among the top in terms of capacity in the domestic market; the contract volume of inverters and other products increased steadily in overseas market. The innovative solutions launched by the energy storage business were highly recognized by customers, and major breakthroughs were achieved for PV and energy storage products in markets such as Europe, Africa and South America; $\pm 50\text{kV}/200\text{MW}$ modular commutated converter equipment developed by the Group has successfully won the bid in terms of flexible DC products, which will become the world's first equipment used in high-voltage and high-power DC transmission scenarios, achieving a new breakthrough in the commercial application of flexible DC converter technology.

4. Technology and R&D

In terms of polysilicon production, focusing on key issues such as improvement in product quality and overall system energy consumption reduction, the Group carried out a number of technology innovation work and core technology research in core links such as cold hydrogenation, distillation and purification, reduction, products sorting. Through the deployment of intelligent control systems, flow field simulation, process optimization, and digital equipment upgrades, the Group effectively achieved quality improvement, efficiency enhancement, energy conservation, and consumption reduction. As of the end of the Reporting Period, the proportion of the Group's secondary and above polysilicon electronic products had significantly increased compared to the end of 2024, and the integrated power consumption per unit dropped by approximately 7% compared to the end of 2024.

In terms of the development, construction and operation of wind power and PV resources and the manufacturing of key equipment, the Group closely followed the national policy guidance, conducted technological innovation around new products, new technologies and new formats to enhance the industry's value chain. In terms of product innovation, the new generation of string inverters developed by the Group has successfully passed the verification on the adaptability to weak power grid and fault ride-through capability in harsh environments, and the product performance and grid adaptability have been significantly improved; the newly released air-cooled energy storage converters, integrated energy storage converters and boosters, and grid SVG products met grid application requirements in active grid support, fault ride-through and environmental adaptability, achieving market access; the new generation of 4.5kV/2kA flexible DC converter valves developed by the Group achieved dual reduction of losses and peak shutdown, filling a gap in domestically produced products at this power level. In terms of new formats and technologies, the Group continued to carry out technological innovation around application scenarios such as industrial and commercial energy storage, zero-carbon parks and household PV storage, completed research on innovative solutions such as new industrial and commercial intelligent PV storage systems, intelligent household PV storage solutions, intelligent reactive power compensation solutions, fully compatible PV storage hybrid solutions and remote operation and maintenance, and released new technologies, significantly improving the stability of products in various scenarios and meeting the diverse needs of customers.

In the first half of 2025, a total of 40 patents submitted by the Group were granted. As at 30 June 2025, the Group had a total of 899 domestic patents, 2 international patents, and participated in the preparation of 185 issued standards, including 6 international standards, 60 national standards and 52 industry standards. During the Reporting Period, the energy internet and power electronics laboratory of the Group obtained the CNAS qualification certificate and passed the laboratory qualification and management system certification audit by domestic and foreign third-party authoritative certification institutions, and obtained the laboratory TMP authorization certificate, indicating that the testing level of the Group in products such as PV inverters, energy storage converters has reached international leading standards.

5. Safety and Environmental Protection Construction

The Group consistently adheres to the “people and safety-oriented” philosophy, pays close attention to the construction of HSSE (health, safety, security and environmental protection) system and standardization, deepens on-site management and safety informatization application, conducts safety management training for all employees and continuously consolidates the safety development foundation. During the Reporting Period, the Group had no major safety production and environmental protection accidents and incidents.

During the Reporting Period, the Group implemented multiple measures to comprehensively strengthen safety production defenses. In terms of safety management system development, the Group systematically 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 HSSE, providing a solid organizational foundation for safety production management. In terms of risk prevention and control, the Group continuously 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 key areas such as the essential safety improvement of process and equipment, accurate identification and verification of major hazard sources, standard special hazardous operation management and integrated management and control of relevant parties, so as to provide timely warnings and eliminate hidden hazards of accidents from the source, significantly enhancing the comprehensive capacity for accident prevention and control. In terms of digital safety enhancements, with the realization of the digitalization of basic safety management, intelligent operation control, accurate risk warning and less humanized on-site inspection as the starting point, the Group promoted the digital and intelligent transformation of safety management through digital empowerment and lean management and

control and other information means, effectively improving the predictable and controllable level of production safety management, and preventing the hidden risks of production safety from a technical perspective.

6. Talent Team Building

During the Reporting Period, the Group adhered to a customer-centric approach, strengthened the construction of high-quality professional teams that responds quickly to market demands, makes rapid technological breakthroughs and achieves quick results transformation with the purpose of cultivating innovation momentum and supporting business strategic needs and overcoming core weaknesses, actively introduced and cultivated leading professionals and technical backbones, optimized the talent structure and effectively implemented the strategy of strengthening the enterprise with talents with accurately positioning the gaps in high-end talents in the key fields of production technology, equipment, safety, new processes and market development; the Group conducted in-depth internal talent reviews and comprehensive assessments, optimized the performance management system and the construction of staff skill development platform, specifically strengthened the training of current and reserve talents, enhanced career development guidance and systematically built a comprehensive talent service and guarantee system for attracting, cultivating, using and retaining talents, continuously improved the overall quality of the talent team and employee satisfaction, and fully stimulated the vitality of the organization.

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 six months ended 30 June 2025, the revenue of the Group was RMB7,310.83 million, representing a decrease of RMB4,432.27 million or 37.74% from RMB11,743.10 million in the corresponding period of last year, which was mainly attributable to the decline in the sales and price of polysilicon of the Group during the Reporting Period. The revenue of each business segment is as follows:

For the six months ended 30 June 2025, the revenue of the polysilicon segment was RMB978.72 million, representing a decrease of RMB4,888.38 million or 83.32% from RMB5,867.11 million in the corresponding period of last year, which was mainly attributable to the decline in the sales and price of polysilicon of the Group during the Reporting Period.

For the six months ended 30 June 2025, the revenue of the construction of wind power and PV power plants segment was RMB3,340.56 million, representing an increase of RMB133.91 million or 4.18% from RMB3,206.64 million in the corresponding period of last year.

For the six months ended 30 June 2025, the revenue of the operation of wind power and PV power plants segment was RMB1,305.87 million, representing an increase of RMB64.14 million or 5.17% from RMB1,241.73 million in the corresponding period of last year, which was mainly attributed 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 six months ended 30 June 2025, the revenue of the electrical equipment segment was RMB1,463.78 million, representing an increase of RMB395.15 million or 36.98% from RMB1,068.64 million in the corresponding period of last year, which was mainly attributable to the increase in the sales of the Group's electrical equipment such as inverters during the Reporting Period.

Cost

For the six months ended 30 June 2025, the costs incurred by the Group was RMB6,642.31 million, representing a decrease of RMB3,807.71 million or 36.44% from RMB10,450.03 million in the corresponding period of last year, which was mainly due to the decrease in sales of polysilicon of the Group during the Reporting Period. The cost incurred by each business segment is as follows:

For the six months ended 30 June 2025, the costs incurred by the polysilicon segment was RMB2,011.85 million, representing a decrease of RMB4,311.23 million or 68.18% from RMB6,323.08 million in the corresponding period of last year, which was mainly due to the decrease in sales of polysilicon of the Group during the Reporting Period and the enhanced cost control, which resulted in the decrease in unit cost of polysilicon as compared to the corresponding period of last year.

For the six months ended 30 June 2025, the cost incurred by the construction of wind power and PV power plants segment was RMB2,662.24 million, representing an increase of RMB75.96 million or 2.94% from RMB2,586.29 million in the corresponding period of last year.

For the six months ended 30 June 2025, the cost incurred by the operation of wind power and PV power plants segment was RMB560.65 million, representing an increase of RMB52.16 million or 10.26% from RMB508.49 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 six months ended 30 June 2025, the cost incurred by the electrical equipment segment was RMB1,228.07 million, representing an increase of RMB480.66 million or 64.31% from RM747.41 million in the corresponding period of last year, which was mainly due to the increase in the sales of the Group's electrical equipment such as inverters, and the Group's adoption of new accounting policies since the 2024 accounting year in accordance with the requirements of the MOF, which adjusted the warranty expenses from selling expenses item to operating cost item for accounting, resulting in a corresponding increase in cost during the Reporting Period.

Gross profit and gross profit margin

For the six months ended 30 June 2025, the gross profit of the Group was RMB668.52 million, representing a decrease of RMB624.56 million or 48.30% from RMB1,293.08 million in the corresponding period of last year. For the six months ended 30 June 2025, the comprehensive gross profit margin was 9.14%, decreasing by 1.87 percentage points from 11.01% in the corresponding period of last year, which was mainly due to a decrease in the sales prices of polysilicon during the Reporting period which outweigh the impact of the decrease in polysilicon unit costs.

Selling expenses

For the six months ended 30 June 2025, the selling expenses of the Group were RMB265.82 million, representing a decrease of RMB17.16 million or 6.07% from RMB282.98 million in the corresponding period of last year, which was mainly due to the Group's adoption of new accounting policies since the 2024 accounting year in accordance with the requirements of the MOF, resulting in the adjustment of warranty expenses from selling expenses item to operating cost item for accounting purposes.

Administrative expenses

For the six months ended 30 June 2025, the administrative expenses of the Group were RMB356.17 million, representing a decrease of RMB95.87 million or 21.21% from RMB452.04 million in the corresponding period of last year, which was mainly due to the decrease in staff remuneration of the Group during the Reporting Period.

R&D expenses

For the six months ended 30 June 2025, the R&D expenses incurred by the Group were RMB157.14 million, representing a decrease of RMB24.03 million or 13.26% from RMB181.17 million in the corresponding period of last year, which was mainly due to the fact that some new R&D projects of the Group were approved late during the Reporting Period, and the R&D expenses incurred during the Reporting Period were relatively less.

Financial expenses

For the six months ended 30 June 2025, the financial expenses of the Group were RMB280.70 million, representing an increase of RMB0.26 million or 0.09% from RMB280.44 million in the corresponding period of last year.

Investment income

For the six months ended 30 June 2025, the investment income of the Group was RMB422.20 million, as compared to the investment loss of RMB7.56 million in the corresponding period of last year, which was mainly due to the gains realized from the two thermal power plants in which the Group has equity participation and the gains realized from the disposal of certain PV power and wind power plants by the Group during the Reporting Period.

Income tax expenses

For the six months ended 30 June 2025, the income tax expenses of the Group were RMB72.14 million, as compared to the income tax expenses of RMB-93.40 million in the corresponding period of last year, which was mainly due to the recognition of deferred income tax assets by the Group based on deductible losses in the corresponding period of last year.

Net loss attributable to shareholders of the listed company

For the six months ended 30 June 2025, the net loss attributable to shareholders of the listed company was RMB256.29 million, representing a decrease in loss of RMB630.73 million as compared with that of RMB887.02 million in the corresponding period of last year, which was mainly due to the increased profit contribution from the construction and operation of wind power and PV power plants segment of the Group during the Reporting Period, and the increase of controlling interests of Sunoasis, a subsidiary of the Company operating the above segments, by the Company since June 2024, as well as the investment income realized from the two thermal power plants invested by the Group.

Profit or loss attributable to non-controlling interests

For the six months ended 30 June 2025, the net loss attributable to non-controlling interests incurred by the Group was RMB51.07 million, as compared to the net profit attributable to non-controlling interests of RMB39.20 million in the corresponding period of last year, which was mainly due to the repurchase of shares in Sunoasis held by ABC Financial Asset Investment Co., Ltd. (農銀金融資產投資有限公司) (“**ABC Financial**”) and BoCom Financial Asset Investment Co., Ltd. (交銀金融資產投資有限公司) by the Company in June 2024, resulting in a decrease in profit attributable to non-controlling interests during the Reporting Period as compared to the corresponding period of last year.

Cash flows

Net cash flow generated from operating activities

For the six months ended 30 June 2025, the net cash outflow generated from operating activities of the Group was RMB856.53 million, as compared to the net inflow of RMB775.16 million in the corresponding period of last year, which was mainly due to the decline in the price of polysilicon, which remained below its production costs during the Reporting Period, resulting in the Group's sales revenue being less than procurement expenses.

Net cash flow generated from investing activities

For the six months ended 30 June 2025, the net cash outflow from investing activities of the Group was RMB2,311.86 million, representing a decrease of RMB3,519.31 million or 60.35% from RMB5,831.17 million in the corresponding period of last year, which was mainly due to the maturity of the Group's deposit-based financial products and the receipt of investment returns during the Reporting Period.

Net cash flow generated from financing activities

For the six months ended 30 June 2025, the net cash inflow generated from financing activities of the Group was RMB6,145.51 million, representing an increase of RMB5,209.31 million or 556.43% from RMB936.20 million in the corresponding period of last year, which was mainly due to the injection of capital by ABC Financial and ICBC Financial Asset Investment Co., Ltd. (工銀金融資產投資有限公司) to subsidiaries of the Company during the Reporting Period and the decrease in the expenditure on debt repayment of the Group as compared to the corresponding period of last year.

Operation fund

	As at 30 June 2025	As at 31 December 2024
Balance of cash and cash equivalents (RMB)	8,479,525,486.68	5,494,514,947.49
Gearing ratio*	37.31%	30.55%
Inventory turnover rate (times)	1.45	4.74
Inventory turnover days (days)	124.01	76.01

* Gearing ratio was calculated as net debt divided by total equity, where net debt is total interest-bearing liabilities less restricted cash and cash and cash equivalents.

The required capital fund for 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.

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.

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 six months ended 30 June 2025, the major capital expenditure of the Group included RMB3,277.48 million of expenditure for the purchases of fixed assets and intangible assets as well as other long-term assets.

Pledge of assets

As at 30 June 2025, the Group's long-term borrowings with an amount of RMB18,264.88 million were secured or pledged by the Group's assets including fixed assets, construction in progress and receivables, and were guaranteed by TBEA, a controlling shareholder of the Company, and the Company with an amount of RMB366.00 million.

Capital liquidity

As at 30 June 2025, current assets of the Group amounted to RMB28,251.78 million, among which, RMB11,956.86 million was monetary capital; RMB6,038.01 million was inventories and contract assets; RMB6,615.15 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 RMB3,567.35 million was other receivables, prepayments and other current assets, primarily consisting of margin and deposit, prepayments and value-added tax credits. As at 30 June 2025, current liabilities of the Group amounted to RMB25,470.93 million, including RMB15,469.59 million of accounts payable and notes payable, primarily consisting of payables for purchase of equipment, laboring, materials, coal fuels necessary for daily operations; RMB2,557.12 million of contract liabilities, primarily consisting of the prepayments for sales of polysilicon; RMB520.86 million of other payables, primarily consisting of temporary receipts payable, deposits payable and deposits and advances payable, etc.; RMB332.31 million of taxes payable, primarily consisting of various taxes to be paid; and RMB2,331.55 million of short-term borrowings. As at 30 June 2025, apart from RMB1,000.00 million of the Group's borrowings which bore fixed interest rates, the remaining borrowings bore interest at floating rates.

As at 30 June 2025, net current assets of the Group amounted to RMB2,780.85 million, representing a decrease of RMB160.49 million as compared with RMB2,941.34 million as at 31 December 2024. The current ratio was 110.92% as at 30 June 2025, representing a decrease of 0.53 percentage point as compared with 111.45% as at 31 December 2024. Restricted cash amounted to RMB3,477.34 million, mainly including bill deposits for guarantee.

Credit risk

As at 30 June 2025, the largest credit risk exposure that may incur financial loss to the Group mainly came from the other party's failure to perform its obligations under the contract that leads to a loss of financial assets of the Group. The Group reviews customers' credit line 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. 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 that individual subsidiaries of the Group are using US dollars and other foreign currencies for sales, other main business operations of the Group are denominated and settled in RMB. As at 30 June 2025, 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, clarify 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 30 June 2025, 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.

Other matters

On 6 December 2024, the Company entered into equity interest transfer agreements with Xinjiang Tianchi Energy Co., Ltd. (新疆天池能源有限責任公司) (“**Xinjiang Tianchi**”) and Xinjiang Zhundong TBEA Energy Co., Ltd. (新疆准東特變能源有限責任公司) (“**Zhundong Energy**”), being subsidiaries of TBEA, the Company's controlling shareholder, 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. On 10 January 2025, the above matter was 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 held 49% of the equity interest in Zhundong Energy.

The north No. 1 power plant 2×660MW pithead thermal power plant project completed and put into operation in 2019 was the sole property held by Zhundong Energy. 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 circular dated 23 December 2024 and poll results announcement dated 10 January 2025.

Events after the balance sheet date

Up to the date of this announcement, there was no events that may have a material impact on the Group after 30 June 2025.

IV. PROSPECTS

Market Prospects

In February 2025, the International Energy Agency (IEA) released the Electricity Report 2025, which predicts that global electricity demand will grow at an average annual rate of nearly 3.9% during the period from 2025 to 2027, of which China's growth rate of electricity demand be up to 6%; the proportion of renewable energy in global electricity supply will continue to increase, and it is expected to meet 95% of the increase in global electricity demand during the same period, among which PV and wind power will be the main growth engines, contributing approximately 50% and 33% of the global electricity demand increase respectively.

In May 2025, InfoLink, a third-party consulting firm, released the "On the Road to Net Zero: A White Paper on the 2030 PV and Energy Storage Transformation", which predicts that in order to achieve the goal of "tripling" global renewable energy installed capacity by 2030 proposed by the United Nations Climate Change Conference (COP28), i.e., increasing from 3.4TW in 2022 to 11TW, global renewable energy installed capacity will approach 10.5TW in 2030, of which the accumulative installed PV power capacity is expected to reach approximately 6.3–6.75TW, and the accumulative installed wind power capacity will reach approximately 2.1TW.

As the urgency of global response to climate change continues to escalate and the economic benefits of renewable energy become increasingly prominent, the proportion of clean energy represented by wind power and PV in the global energy structure has gradually increased. Renewable energy has strategically taken a leading role in the global energy transformation, with broad long-term market space and good development opportunities.

Business Plan in the Second Half of 2025

Although the current imbalance between supply and demand in the PV industry has not yet improved significantly in the short term, posing pressure on manufacturers within the supply chain, the government, the industry and various manufacturers have fully recognized the necessity and urgency of addressing "involution" competition. With the implementation of relevant national policies on mandatory standards and energy-saving monitoring measures, as well as the exploration of self-discipline actions by the industry and enterprises, these efforts will help the industry return to the right track and provide opportunities for advantageous sectors and promising enterprises to achieve high-quality, profitable and healthy development. In the second half of 2025, the Group will leverage its advantages in upstream and downstream synergies to proactively break through bottlenecks, strictly adhere to safety bottom line, strengthen innovation-driven development, rigorously focus on quality improvement and cost

control, deepen digital and intelligent empowerment and talent support, and fully unleash 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. In the second half of 2025, the Group will further strengthen supervision in key areas, consolidate and deepen the construction of safety system, and make every effort to enhance safety assurance capabilities of human, technical, and intelligent defenses. Firstly, the Group will take safety system construction as the core task of safety management, give play to the guiding role of safety performance, improve the supporting incentive mechanism, and comprehensively promote the construction and effective operation of standardized safety production management systems across all business sectors. Secondly, focusing on the core business areas of production, engineering construction and power station operation, the Group will strictly control over major hazard sources, standardize the management of special operations, implement integrated management requirements of related parties, strengthen on-site operation management, enhance source risk control and implementation of measures, so as to ensure that safety risks in the Group’s production and operations are under control. Thirdly, the Group will promote the comprehensive development and implementation of information-based security systems, leveraging advanced digital and intelligent technologies to enhance internal safety drivers, fully integrate digitalization with safe production operations, and further enhance the effectiveness of emergency command and the level of intelligent safety construction. Fourthly, the Group will continue to improve the dual prevention mechanism of risk hierarchical management and control as well as investigation and management of hidden hazards, strictly implement the responsibilities of all employees in hazard identification, risk assessment, risk hierarchical management and control by color and hidden danger investigation, carry out various safety production trainings and special actions on a regular basis by taking hidden danger investigation as the starting point, rectification and implementation as the key step, and actual exercises as the carrier, and effectively enhance accident prevention capabilities.

2. *Polysilicon Production Plan*

The Group will strictly comply with the requirements of policies and industry self-regulation, consistently focusing on improving quality, reducing costs and enhancing efficiency in polysilicon production, so as to achieve sustainable development. Firstly, based on key information such as market trends, production costs, and quality impacts, the Group will establish a dynamic cost-revenue production calculation model, dynamically evaluate and adjust production models

and plans, and ensure maximum production and operational efficiency. Secondly, incorporating customer feedback and focusing on full-process and all-factor quality management, the Group will carry out quality technology research around key aspects such as distillation, reduction, cold hydrogenation, slurry, and finished product crushing. Through process quality compliance and consistency evaluation control, the Group will improve system process stability, effectively reduce system impurity content, and enhance polysilicon product quality. At the same time, through the reorganization and optimization of workshop process and the upgrade of core system process, the Group will focus on reducing electricity consumption, silicon and chlorine consumption, and auxiliary material consumption to achieve cost reduction and efficiency improvement. Thirdly, the Group will continue to promote the construction of digital and automated plants to build an intelligent production system. Through the transformation of automated equipment, the optimization of process and the improvement of environment, the Group will improve production stability and per capita efficiency. Fourthly, the Group will deepen the strategy of intensive procurement in the supply chain and timing purchase for bulk materials, intensify the review and management of key materials, take multiple measures to improve quality and reduce costs, and continuously make 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*

Focusing on the market and efficiency, the Group will steadily advance the development, construction and operation of PV and wind power resources, enhance the market share and profitability of key equipment such as inverters, and continuously optimize the quality of operation. Firstly, in terms of the development and construction of resources, the Group will continue to intensify the development of the large-scale base project in the dessert, gobi and barren land and deepen the development of new projects such as the integration of PV and storage, PV + zero-carbon parks, as well as generation, grid, load and energy storage. In light of the impact of policies such as the market-oriented reform of on-grid tariffs in new energy, through scientific planning, standardized management and control, and process-driven guidance, and focusing on the market value of the electricity, the Group will comprehensively enhance data integration and management efficiency in our development business, strengthen our understanding of policies and macroeconomic trends, dynamically adjust resource allocation, so as to promote project development in an orderly manner. Secondly, in terms of power station operations, the Group will innovate management systems, deepen data applications, and promote the transformation of operation and maintenance towards proactive early warning, thereby

improving efficiency and reducing costs. The Group will enhance the accuracy of electricity market analysis and forecasting by leveraging artificial intelligence and other tools, empowering the improvement of trading capabilities and risk control. By optimizing various trading strategies, including long-term power trading, spot trading, green power trading, and carbon asset trading, the Group will comprehensively enhance the revenue level of operated power plants, and continuously and dynamically optimize existing assets of operated power plants based on profitability. Thirdly, in terms of the manufacturing of key equipment such as inverters, the Group will continue to deepen the integration of digitalization and intelligentization with production and management, enhancing the production automation rate and achieving improvement in per capita production efficiency and quality consistency. The Group will strictly control material introduction and quality verification, and carry out white-box work on key material processes, so as to improve process inspection capabilities. Focusing on the customers, the Group will continue to increase efforts to explore domestic and overseas markets, improve the timely response to customer needs and service quality, optimize and adjust the layout of service and marketing outlets, and continuously enhance product brand influence and profitability.

4. *Technology Innovation Plan*

The Group will deepen 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 high-quality development, so as to comprehensively enhance its core competitiveness. Firstly, in terms of polysilicon, the Group will continue to promote scientific research and innovation and transformation of achievements by focusing on the optimization of distillation and purification, efficient removal of high boiling impurities from slurry, and improvement of cold hydrogenation efficiency, so as to achieve the improvement of product quality. The Group will also continue to promote the digital construction of plants, thereby achieving online management of the whole process, improving the response speed and handling quality of production anomalies, enhancing production efficiency and stability, and reducing unit costs. Secondly, in terms of power station construction and operation, the Group will build an intelligent engineering technology system centered around key areas such as new business model solutions, medium-and long-term electricity price forecasting, and intelligent operations, comprehensively improving business efficiency and decision-making accuracy. Thirdly, in terms of manufacturing of key equipment such as inverters, adhering to product leadership as well as digital and intelligent guidance, the Group continue to accelerate the construction of infrastructure and innovative experimental platforms and achieve the R&D, testing and transformation of new product models on the basis of the value proposition

of multi-scenario adaptability, 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 its strategic objectives and business planning closely, the Group will focus on core business shortcomings, talent team building, organizational effectiveness enhancement and professional skills cultivation to drive synergistic optimization of business and talent development. Firstly, the Group will improve the talent development system, continuously optimize human resources plan and talent strategies, prioritize “selection, development, utilization, and retention” as core responsibilities, and strengthen incentive and performance management. Secondly, the Group will build a “dumbbell-shaped” talent structure. Focusing on such areas as process optimization, safety management, quality control, R&D innovation, market development and power trading, the Group will increase our talent pool, and leverage digitalization to enhance unmanned manufacturing processes. While maintaining high-quality and efficient products and services, the Group will realize talent concentration at both ends of the “smile curve”, so as to enhance the overall competitiveness of the talent team. Thirdly, the Group will comprehensively enhance the competency of key positions, promote efficient collaboration across the core value chain process of “research, production, supply, sales and services”, and achieve simultaneous improvements in operating results and capabilities. Fourthly, the Group will deepen the “dual-channel” mechanism and capacity building, optimize the selection and qualification evaluation system, thereby systematically promoting the improvement of staff skills and job performance, carrying forward the spirit of craftsmanship, and achieving joint growth of the Company and its employees.

V. RISK FACTORS AND RISK MANAGEMENT

1. Risks associated with Changes in Policies

Driven by the active implementation of global renewable energy development plans and carbon neutrality goals, the global new energy industry has maintained rapid growth in the past decade. With the rapid iteration of technologies in the new energy industry, the doubling of market size and the continuous decline in costs, the prosperity cycle in global new energy industry continues to expand, but government’s policy guidance and support for short-term issues in the new energy industry will continue to significantly influence the industry’s development trajectory. 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 proactive and effective response strategies based on the actual development to minimize the adverse impact of policy changes on the Group.

2. 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 becoming 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, continuously enhance its technology R&D capabilities, strengthen talent building of its technology R&D team, fully explore the advantages of improved Siemens approach in technology and processes to reduce the production costs, improve the product quality as well as Group's competitiveness and profitability.

3. Risks associated with Intensified Market Competition

Under the historic opportunity of “dual carbon” goals and energy transformation, renewable energy is transitioning from an “alternative energy” to a “dominant energy”. The current acceleration of global new energy expansion, combined with the structural imbalance between supply and demand in the PV industry, has led to increasingly fierce market competition with the profit margins of products and services being further compressed. Major PV manufacturer have experienced long-term losses, and enterprises which fall behind in production capacity and lack competitiveness will be phased out at an accelerated pace. If competition in the new energy market continues to intensify, the contradiction between supply and demand cannot be alleviated and the involution competition continues, it could impact the Group's market share and profitability.

The Group will actively respond to the market challenges, guided by customers, market and benefits, and cooperate with national policy regulation and industry self-discipline guidance to explore solutions; At the same time, it will actively leverage on its strengths, provide customers with high-quality, low-cost and competitive products and services, and continuously optimize its business structure and explore new markets to further consolidate and enhance its industry position.

4. Risks associated with Revenue Fluctuations in New Energy Power Generation Projects

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》) (Document No. 136), 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 new energy projects generation consumption capacity and transaction prices of power, and thus the uncertainty in revenue of power generation projects of new energy will increase, at the same time, it is more difficult to make investment decisions on incremental new energy projects, which may have a certain impact on the operating results of the Group.

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 project development, design, construction and operation. The Group will conduct in-depth research on the trading mechanism of the electricity market, and use technologies such as artificial intelligence to improve the accuracy of power forecasting and power generation forecasting, so as to enhance trading capabilities and reduce trading risks. The Group will diversify the market risks by signing long-term power purchase agreements with electricity users and expanding sales channels. At the same time, The Group will design more reasonable trading strategies for medium-and long-term power trading, spot trading, green power trading, or carbon asset trading, strive to improve project returns, and guarantee the revenue level of new energy resource development and operated power plants of the Group.

5. 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 30 June 2025, the Group had a total of 7,614 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. During the Reporting Period, the Group paid employees salary of RMB1,091.57 million in total.

The Group values the career development of its staff, and continuously improves its education and empowerment system. Based on aspects including construction of a team of talents, qualifications of positions, and business requirements, the Group systematically organises the needs of empowerment, and has built an empowerment course 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 focused on the career development of core personnel involved in technological innovation projects and qualification recognition of grassroots positions, and through scientific and technological innovations, technological problem-solving and productivity streamlining projects, has expanded the horizon and enriched the knowledge of our workers, and continuously improved their levels of self-cultivation and professional skills.

Interim Dividend

The Board did not recommend the declaration of an interim dividend for the six months ended 30 June 2025.

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. During the Reporting Period, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Listing Rules, and adopted the recommended best practices set out therein, if applicable. Meanwhile, 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 (the “**Model Code**”) set out in Appendix C3 of the Listing Rules as the code of conduct for all the directors’ and the Company’s supervisors’ (the “**Supervisors**”) dealings in the Company’s securities. Having made specific enquiries, all Directors and Supervisors confirmed that they have 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 exact than those in the Model Code. The Company is not aware any breach of the guidelines by its relevant employees for the Reporting Period.

Purchase, Sale or Redemption of 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) for the Reporting Period.

As at 30 June 2025, the Company did not hold any treasury shares.

Audit Committee

The audit committee of the Company has reviewed and confirmed the interim results of the Group for the six months ended 30 June 2025 and the unaudited consolidated interim financial information for the six months ended 30 June 2025 prepared in accordance with the CASBE.

Publication of Interim Results and Interim Report

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.xintenergy.com). The 2025 interim report containing all the information required by the Listing Rules 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
29 August 2025

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

* *For identification purpose only*