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XINYI ENERGY HOLDINGS LIMITED

信義能源控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock code: 03868)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	Year ended 31 December		Change
	2025	2024	
	<i>RMB'million</i>	<i>RMB'million</i>	
Revenue	2,453.3	2,440.4	+0.5%
Profit attributable to the equity holders of the Company	1,010.7	790.9	+27.8%
Earnings per share			
– Basic	12.00 RMB cents	9.55 RMB cents	+25.7%
– Diluted	12.00 RMB cents	9.55 RMB cents	+25.7%
Proposed final dividend per share	3.6 HK cents	2.7 HK cents	

The board (the “**Board**”) of directors (the “**Directors**”) of Xinyi Energy Holdings Limited (the “**Company**” or “**Xinyi Energy**”, together with its subsidiaries, the “**Group**”) announces the consolidated results of the Group for the year ended 31 December 2025 (the “**FY2025**”), together with the comparative figures for the year ended 31 December 2024 (the “**FY2024**”), as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025**

		<u>2025</u>	<u>2024</u>
	Notes	<i>RMB’000</i>	<i>RMB’000</i>
Revenue	3	2,453,308	2,440,447
Cost of sales	5	(937,248)	(840,717)
Gross profit		1,516,060	1,599,730
Other income	3	39,500	22,910
Other gains/(losses), net	4	93,291	(37,673)
Administrative expenses	5	(61,186)	(48,532)
Net impairment losses on financial assets		(1,833)	(6,449)
Operating profit		1,585,832	1,529,986
Finance income	6	3,090	2,602
Finance costs	6	(277,483)	(364,775)
Share of net profits/(losses) of investments accounted for using the equity method		57	(91)
Profit before income tax		1,311,496	1,167,722
Income tax expense	7	(301,875)	(376,220)
Profit for the year		1,009,621	791,502
Profit for the year attributable to:			
– Equity holders of the Company		1,010,712	790,851
– Non-controlling interests		(1,091)	651
		1,009,621	791,502
Earnings per share attributable to the equity holders of the Company (Expressed in RMB cents per share)			
– Basic	8	12.00	9.55
– Diluted	8	12.00	9.55

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	1,009,621	791,502
Other comprehensive income/(loss) for the year, net of tax:		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences of foreign operations	286,273	(318,850)
Share of other comprehensive income of investments accounted for under the equity method		
– Share of currency translation differences	17	47
Release of reserve upon the disposal of a subsidiary	24,086	—
<i>Item that will not be reclassified to profit or loss</i>		
Currency translation differences of the Company	(293,143)	202,919
Other comprehensive income/(loss) for the year, net of tax	17,233	(115,884)
Total comprehensive income for the year	<u>1,026,854</u>	<u>675,618</u>
Total comprehensive income for the year attributable to:		
– Equity holders of the Company	1,027,968	674,967
– Non-controlling interests	(1,114)	651
	<u>1,026,854</u>	<u>675,618</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		<u>2025</u>	<u>2024</u>
	Notes	<i>RMB'000</i>	<i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		15,000,001	15,394,948
Right-of-use assets		980,484	970,148
Prepayments for land use rights and property, plant and equipment	10	46,030	27,735
Investments accounted for using the equity method		495,112	628
Goodwill		224,005	273,950
Deferred tax assets		61,064	59,973
Total non-current assets		16,806,696	16,727,382
Current assets			
Trade and other receivables and prepayments	10	4,494,951	4,580,310
Amounts due from related companies		155,454	3,571
Restricted cash		8,486	3,000
Cash and cash equivalents		950,638	354,238
Total current assets		5,609,529	4,941,119
Total assets		22,416,225	21,668,501

		<u>2025</u>	<u>2024</u>
	Notes	<i>RMB'000</i>	<i>RMB'000</i>
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		73,808	72,497
Other reserves		5,966,473	6,251,552
Retained earnings		7,198,407	6,180,436
		<u>13,238,688</u>	<u>12,504,485</u>
Non-controlling interests		<u>(391)</u>	<u>—</u>
Total equity		<u>13,238,297</u>	<u>12,504,485</u>
LIABILITIES			
Non-current liabilities			
Bank borrowings	12	5,100,259	4,789,224
Lease liabilities		930,449	919,475
Other payables	11	13,078	15,378
Deferred tax liabilities		250,512	262,194
Total non-current liabilities		<u>6,294,298</u>	<u>5,986,271</u>
Current liabilities			
Bank borrowings	12	2,196,989	2,541,250
Lease liabilities		61,168	56,962
Accruals and other payables	11	433,157	450,504
Amounts due to related companies		119,243	85,912
Current income tax liabilities		73,073	43,117
Total current liabilities		<u>2,883,630</u>	<u>3,177,745</u>
Total liabilities		<u>9,177,928</u>	<u>9,164,016</u>
Total equity and liabilities		<u>22,416,225</u>	<u>21,668,501</u>

NOTES:

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss (“**FVPL**”).

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(a) Amendments to standards adopted by the Group

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year’s financial statements.

Amendments to HKAS 21	Lack of Exchangeability
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The nature and the impact of the revised HKFRS Accounting Standards are described below:

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

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New and revised HKFRS Accounting Standards not yet adopted

The Group has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective.

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

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Except as described below, these new and amended standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

3 REVENUE, OTHER INCOME AND SEGMENT INFORMATION

Revenue and other income recognised during the year are as follows:

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue		
Recognised at a point in time:		
– Sales of electricity	1,528,360	1,464,170
– Tariff adjustment	915,948	964,792
	<u>2,444,308</u>	<u>2,428,962</u>
Recognised over time:		
– Solar farm operation and management services	9,000	11,485
	<u>2,453,308</u>	<u>2,440,447</u>
Other income		
Government grants (<i>Note</i>)	24,320	12,170
Compensation of insurance claims	2,753	809
Others	12,427	9,931
	<u>39,500</u>	<u>22,910</u>

Note:

Government grants mainly represent grants received from the government of the People's Republic of China (the "PRC") in subsidising the Group's general operations.

Segment information

The Group is mainly engaged in the operation and management of Solar and Wind farms in the PRC. Information reported to the Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available.

No segment of assets and liabilities are presented as no discrete financial information is available.

Majority of the non-current assets of the Group are located in the PRC and with country of domicile being the PRC.

Revenue from major customers which are state-owned grid enterprises for the year is set out below:

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Customer A	373,600	466,448
Customer B	339,971	360,021
Customer C	426,497	364,463

4 OTHER GAINS/(LOSSES), NET

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Foreign exchange gains/(losses), net	8,343	(3,578)
Gain on partial disposal of a subsidiary	131,901	—
Loss on disposal of property, plant and equipment	(563)	(992)
Net fair value gains on financial assets at FVPL	3,555	4,888
Impairment loss of goodwill	(49,945)	(37,991)
	93,291	(37,673)

5 EXPENSES BY NATURE

Expenses included in cost of sales and administrative expenses are analysed as follows:

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation charge of property, plant and equipment	729,424	654,136
Depreciation charge of right-of-use assets	50,400	39,442
Employee benefit expenses (including directors' emoluments)	68,776	65,747
Electricity	27,882	29,282
Auditor's remuneration – Audit services	1,617	1,294
Legal and professional fees	3,661	4,074
Insurance expenses	6,473	5,090
Repair and maintenance	45,743	38,167
Other expenses	64,458	52,017
	<u>998,434</u>	<u>889,249</u>

6 FINANCE INCOME AND COSTS

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		
Interest income from bank deposits	1,364	2,602
Other interest income	1,726	—
	<u>3,090</u>	<u>2,602</u>
Finance costs		
Interest on lease liabilities	52,313	45,318
Interest expense on bank borrowings	225,170	319,457
	<u>277,483</u>	<u>364,775</u>

7 INCOME TAX EXPENSE

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax		
PRC corporate income tax (“CIT”) (<i>Note (c)</i>)	280,313	303,846
PRC withholding tax (<i>Note (e)</i>)	38,009	75,850
Underprovision in prior years	11	—
	318,333	379,696
Deferred income tax	(16,458)	(3,476)
	301,875	376,220

Notes:

- (a) The Company was incorporated in the British Virgin Islands and is exempted from payment of the British Virgin Islands income tax.
- (b) No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2024: Nil).
- (c) The applicable CIT rate for the Group’s subsidiaries in the PRC is 25% (2024: 25%) except that:
- A subsidiary engaging in operation and management of solar farms in Anhui Province is qualified as a “High and New Technology Enterprise” and would be entitled to enjoy a preferential CIT rate of 15% (2024: 15%);
 - A subsidiary engaging in development of operation and management systems in Guangxi Zhuang Autonomous Region is qualified as an “Encouraged Enterprise” in the Catalogue of Industries Encouraged for Foreign Investment in Central and Western Region and would be entitled to enjoy a preferential CIT rate of 15% (2024: 9%);
 - Ten subsidiaries engaging in solar farms business are eligible as a Small Low-profit Enterprise is subject to preferential tax treatments. A Small Low-profit Enterprise with annual taxable income not more than RMB1,000,000 is subject to Enterprise Income Tax calculated at 25% of its taxable income at a tax rate of 20% (2024: 20%); and
 - Subsidiaries engaging in the solar farms business enjoyed tax holiday and their profits are fully exempted from the CIT for three years starting from its first year of revenue generation, followed by 50% reduction in CIT in next three years. However, their government grants and compensation of insurance claims received are subject to the CIT rate of 25% (2024: 25%).

(d) Taxation on overseas profits mainly include Malaysia income tax and Japanese income tax which has been calculated on the estimated assessable profits for the year at the standard Malaysia corporate income tax rates of 24% (2024: 24%) and the Standard Japan corporate tax rate of 15% (2024: Nil) respectively.

(e) Withholding tax on remitted earnings

Withholding tax is levied on dividends declared to foreign investors by the foreign investment enterprises established in the PRC, in respect of earnings generated after 31 December 2007 and tax expense arising from the disposal of a PRC subsidiary. For the FY2025, dividends remitted from the PRC subsidiaries were subject to 5% withholding tax.

8 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	<u>2025</u>	<u>2024</u>
Profit attributable to equity holders of the Company (RMB'000)	1,010,712	790,851
Weighted average number of ordinary shares in issue (thousands)	8,424,292	8,283,062
Basic earnings per share (RMB cents)	<u>12.00</u>	<u>9.55</u>

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares comprise of share options.

	<u>2025</u>	<u>2024</u>
Profit attributable to equity holders of the Company (RMB'000)	1,010,712	790,851
Weighted average number of ordinary shares in issue (thousands)	8,424,292	8,283,062
Adjustment for share options (thousands)	85	—
	<u>8,424,377</u>	<u>8,283,062</u>
Diluted earnings per share (RMB cents)	<u>12.00</u>	<u>9.55</u>

9 DIVIDENDS

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Interim dividend of 2.9 HK cents (2024: 2.3 HK cents) per share (<i>Note (a)</i>)	224,355	177,750
Proposed final dividend of 3.6 HK cents (2024: final dividend of 2.7 HK cents) per share (<i>Note (b)</i>)	<u>275,885</u>	<u>212,758</u>

Notes:

- (a) An interim dividend for the six months ended 30 June 2025 of 2.9 HK cents per share (2024: 2.3 HK cents per share) was partially paid in cash and partially settled by the issuance of 66,476,454 shares (2024: 113,719,155 shares) in respect of scrip dividend to shareholders for whose names appeared on the register of members of the Company on 10 October 2025 (2024: 19 August 2024).
- (b) A final dividend in respect of the FY2025 of 3.6 HK cents per share (2024: 2.6 HK cents per share), amounting to a total dividend of HK\$306,710,000, equivalent to RMB275,885,000 (2024: HK\$226,170,000, equivalent to RMB212,758,000), is to be proposed at the forthcoming annual general meeting.

The amount of 2025 proposed final dividend is based on 8,519,712,351 shares in issue as at 31 December 2025. These consolidated financial statements do not reflect this proposed dividend payable for the FY2025. The amount of 2024 final dividend represented an aggregated dividend partially paid in cash and partially settled by the issuance of 76,582,140 shares based on 8,376,653,757 shares in issue as at the record date for the dividend entitlement.

10 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables (<i>Note (a)</i>)	4,124,666	4,247,035
Less: Loss allowance for trade receivables (<i>Note (b)</i>)	(41,247)	(42,470)
Trade receivables, net	4,083,419	4,204,565
Deposits and other receivables (<i>Note (c)</i>)	46,317	43,177
Other tax receivables (<i>Note (d)</i>)	287,755	304,456
Prepayments for land use rights and property, plant and equipment	46,030	27,735
Other prepayments	77,460	28,112
	<u>4,540,981</u>	<u>4,608,045</u>
Less: Non-current portion		
Prepayments for land use rights and property, plant and equipment	(46,030)	(27,735)
Current portion	<u>4,494,951</u>	<u>4,580,310</u>

Notes:

(a) Trade receivables

As at 31 December 2025, trade receivables comprised receivables from sales of electricity and tariff adjustment receivables. The category analysis of trade receivables is set out below:

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Receivables from sales of electricity	129,458	168,355
Tariff adjustment receivables	3,995,208	4,078,680
	<u>4,124,666</u>	<u>4,247,035</u>

Receivables from sales of electricity were usually settled on a monthly basis by the state-owned grid enterprises. Tariff adjustment receivables represent government subsidies on renewable energy to be received from the state-owned grid enterprises in accordance with prevailing government policies and prevalent payment pattern of the Ministry of Finance.

During the FY2025, the Group received aggregate payment of RMB894,889,000 (2024: RMB484,006,000) for the subsidies in relation to the solar power generation by the solar farm projects enlisted on the Renewable Energy Power Generation Project List. The Ministry of Finance does not set out a rigid timetable for the settlement of tariff adjustment receivables. However, given the collection of tariff adjustment receivables is well supported by the government policy, the collection of tariff adjustment receivables is expected in the normal operating cycle, and they are classified as current assets.

The ageing analysis of trade receivables based on the Group's revenue recognition policy is as follows:

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	313,241	378,705
91 days to 180 days	280,487	325,528
181 days to 365 days	476,360	549,483
Over 365 days	3,054,578	2,993,319
	<u>4,124,666</u>	<u>4,247,035</u>

The carrying amounts of the Group's trade receivables are denominated in RMB.

(b) Loss allowance for trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivable.

Loss allowance for trade receivables of RMB41,247,000 was made by the Group as at 31 December 2025 (2024: RMB42,470,000).

(c) Deposits and other receivables

Deposits and other receivables are all expected to be recoverable and therefore no provision was made. The ageing of deposits and other receivables was within one year. The carrying amounts of the Group's deposits and other receivables are mainly denominated in RMB.

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

(d) Other tax receivables

Other tax receivables mainly represent value added tax ("VAT") recoverable, which is creditable input VAT on purchase of property, plant and equipment. They will be offset against output VAT on sales of solar electricity and tariff adjustment. The balance is denominated in RMB.

(e) The carrying amounts of trade and other receivables approximate to their fair values.

(f) The other classes within trade and other receivables do not contain impaired assets.

11 ACCRUALS AND OTHER PAYABLES

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Payables for property, plant and equipment	364,780	418,509
Others (<i>Note (b)</i>)	81,455	47,373
	446,235	465,882
Less: Non-current portion		
Retention payables for property, plant and equipment	(13,078)	(15,378)
Current portion	433,157	450,504

Notes:

(a) The carrying amounts of accruals and other payables are mainly denominated in RMB and approximate to their fair values.

(b) The balance mainly comprises accruals of professional fees, interest for bank borrowings and accrued staff costs.

12 BANK BORROWINGS

The bank borrowings are unsecured and repayable as follows:

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	2,196,989	2,541,250
Between 1 and 2 years	1,251,138	840,041
Between 2 and 5 years	1,189,481	1,696,935
More than 5 years	2,659,640	2,252,248
	7,297,248	7,330,474
Less: Non-current portion	(5,100,259)	(4,789,224)
Current portion	2,196,989	2,541,250

Notes:

- (a) As at 31 December 2025 and 2024, corporate guarantee was provided by the Company and its subsidiaries for the bank borrowings.
- (b) The Group has complied with the financial covenants of its borrowing facilities during the 2025 and 2024 reporting periods.
- (c) As at 31 December 2025 and 2024, none of bank borrowings contained repayment on demand clause and was classified as current liabilities. These bank borrowings are repayable by instalments up to 2045 (2024: 2045).
- (d) As at 31 December 2025 and 2024, the carrying amounts of the Group's bank borrowings are approximate their fair values and denominated in the following currencies:

	<u>2025</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>
HK\$	53,970	1,521,340
RMB	7,243,278	5,809,134
	7,297,248	7,330,474

- (e) As at 31 December 2025 and 2024, majority of bank borrowings bore floating interest rates and were exposed to interest rate changes.

The effective interest rates per annum at reporting date were as follows:

	<u>2025</u>	<u>2024</u>
Bank borrowings	2.53%	3.50%

MANAGEMENT DISCUSSION AND ANALYSIS

For the FY2025, the revenue of the Group recorded a slight increase of 0.5% to RMB2,453.3 million, as compared to RMB2,440.4 million for 2024. The profit for the year attributable to the equity holders of the Company increased by 27.8% to RMB1,010.7 million. Basic earnings per share for the year amounted to 12.00 RMB cents, representing an increase of 25.7% as compared to 2024. The Board proposes to declare a final dividend of 3.6 HK cents per share, subject to the approval by the shareholders (the “**Shareholders**”) of the Company at the forthcoming annual general meeting (the “**AGM**”) of the Company.

BUSINESS REVIEW

Continuous contribution from the renewable energy portfolio

For the FY2025, the electricity generated by the renewable energy projects owned and operated by the Group increased by 10.1% as compared to 2024, which was primarily attributable to the full-year operation of the renewable energy projects acquired in 2024 (the “**2024 Portfolio**”) and the newly acquired renewable energy projects in 2025 (the “**2025 Portfolio**”). The total revenue generated from the 2024 Portfolio and the 2025 Portfolio amounted to RMB278.84 million, representing 11.4% of the total revenue of the Group. However, the electricity curtailment loss arising from the grid consumption constraints and the increase in the number and the volume of the Market-Based Electricity Trading (the “**Market-Based Electricity Trading**”), partial offset the increase in the revenue in the FY2025. This resulted in a slight increase in the revenue of the Group of 0.5% only.

With the acquisition of three solar farm projects and one wind farm project, which comprised the 2025 Portfolio, the Directors expect that the Group’s annual results for 2026 could reflect the full performance of the 2025 Portfolio.

Capacity of renewable energy projects increased in 2025

As the government of the People's Republic of China (the “**PRC**”) promulgated the targets of achieving carbon peaking by 2030 and carbon neutrality by 2060, the nation has undertaken a series of systematic planning and deployment measures, providing a strong impetus for the deep transformation of the energy system through a series of policy measures, including optimising the energy mix, promoting the green technological innovation, improving the regulatory framework and deepening the global climate cooperation. In 2025, the PRC's photovoltaic industry has achieved a globally leading position in terms of the scale of the production capacity, power generation costs, technological capability and the international market share. It has not only become a core engine driving the domestic energy decarbonisation and the achievement of the dual carbon goals, but also made a significant contribution to the global efforts in addressing the climate change. Under the dual drivers of policy support and technological innovation, the PRC's photovoltaic industry continues to consolidate its leading position, with innovation vitality and market competitiveness ranking among the highest globally.

In January 2025, the National Energy Administration of China (the “**NEA**”) promulgated the Administrative Measures for the Development and Construction of Distributed Photovoltaic Power Generation (the “**Distributed PV Measures**”), which clearly provide that distributed PV projects connected to the grid before 1 May 2025 may enjoy fixed subsidies for a period of 20 years, whereas the newly constructed projects connected to the grid after 1 May 2025 will be fully subject to market-based mechanism without any government subsidies and investment returns will be determined entirely by the market supply and demand. In February 2025, the National Development and Reform Commission (the “**NDRC**”) and the NEA jointly issued the Notice on Deepening the Market-oriented Reform of Electricity Tariffs for New Energy and Promoting the High-quality Development of New Energy (the “**Reform Notice**”), which requires that existing projects connected to the grid before 1 June 2025 to be transitioned under the prevailing policies through a differential settlement mechanism, while the new projects connected to the grid after 1 June 2025 will be subject to dynamic adjustments based on the fulfilment of the regional new energy development targets, with the electricity tariffs to be determined by the local governments through the market-based competitive bidding.

At the same time, all guaranteed grid-connection projects approved in 2023/2024 are required to achieve full-capacity grid connection by 1 June 2025. Any project which fails to achieve this requirement has been removed from the relevant lists and no longer enjoys the guaranteed status. On the other hand, pursuant to the electricity pricing policies of the NDRC, projects approved or filed for record before the end of 2023 and participating in the transitional tariff mechanism in 2025 are required to achieve full-capacity grid connection by the end of 2025 in order to continue to enjoy stable returns equivalent to the benchmark coal-fired power tariff. Projects that fail to connect to the grid are subject to the tariff mechanism in the following year, with a substantial proportion entering the market-based electricity trading, thereby significantly increasing revenue uncertainty. Against this backdrop, the PV developers, in order to avoid the loss of guaranteed grid-connection eligibility, have accelerated the construction progress, resulting in an accelerated increase in the grid connection by the end of 2025. Together with the “installation push” triggered by the Distributed PV Measures and the Reform Notice, these resulted in the increase in the total newly installed PV capacity in 2025 to more than 316.57 gigawatts, firmly establishing photovoltaics as the third principal power source in the PRC, after thermal power and hydropower, and further underscoring its increasingly consolidated strategic position within the national energy mix.

During the FY2025, the Group acquired from Xinyi Solar Holdings Limited (“**Xinyi Solar**”) and its subsidiaries (collectively referred to as “**Xinyi Solar Group**”) three utility-scale solar farm projects under grid-parity regime in the PRC with aggregate approved capacity of 230 megawatts (“**MW**”). The Group will continue to make the acquisition from Xinyi Solar as and when appropriate taking into account various factors such as electricity curtailment loss, the dynamics of Market-Based Electricity Trading, the strategic importance of high power consumption regions and the assurance of stable and attractive investment returns. The Group will also proactively identify and evaluate other renewable energy projects with strong potential for sustainable profitability.

During the FY2025, the Group disposed of 51% equity interest in a utility-scale solar farm project in the PRC under the grid-parity regime, with an aggregate approved capacity of 174 MW, to an independent third party. The project is still under the management of the Group, and the Group will also be entitled to 49% of the profit from operation of the project.

As of 31 December 2025, the aggregate approved capacity of utility-scale renewable energy projects owned and operated by the Group amounted to 4,804.5 MW, comprising 1,798 MW under the (feed-in tariff) FiT regime and 3,006.5 MW under the grid-parity regime, while the solar farm projects with an aggregate capacity of 174MW is accounted for using the equity method. The operating cash flow of the Group has steadily improved, primarily due to the growing number of the solar farm projects under the grid-parity regime.

BUSINESS OUTLOOK

The Reform Notice was officially issued in February 2025 which require all new projects launched after 1 May 2025 to be fully integrated into market-based mechanisms, with feed-in tariffs determined through market-driven methods. This move signifies the gradual transition of the new energy industry from a policy-driven model to a market-driven model. During the year, all PRC provinces have successively released detailed rules (consultation paper) for the Reform Notice, with relevant implementation policies being rolled out in phases. It is anticipated that the benchmark electricity prices and the power generation hours for the Group's existing projects will be guaranteed to a certain extent.

In April 2025, the Office of the National Development and Reform Commission and the General Office of the National Energy Administration jointly issued the Notice on Comprehensively Accelerating the Construction of the Electricity Spot Market (《關於全面加快電力現貨市場建設工作的通知》) (the “**Spot Market Notice**”), which aims to expand China's electricity spot markets from pilot programs to nationwide coverage, establish a market-based electricity pricing mechanism that allows fluctuations in prices, and enable electricity prices to be determined through real-time market competition. The Spot Market Notice requires provinces already in settlement trial operation achieving transition to formal operation as soon as possible, and explicitly specifies that most provinces or regions nationwide shall initiate spot market trial operations by the end of 2025. Furthermore, the Spot Market Notice stipulates that all medium- and long-term power contracts suitable for spot trading shall be settled in the spot market. The Spot Market Notice serves as an action plan, moving beyond the local pilot programs to a nationwide rollout and accelerated development. Its core objective is to establish price signals reflecting real-time supply-demand dynamics and costs through a spot market where all the electricity generated is subject to tariff bidding and real-time clearing, which will further drive cost reduction and efficiency gains on the power generation side, promote rational electricity consumption from users, and ultimately contribute to building a new power system centered on new energy and achieving the dual carbon goals.

In September 2025, the NDRC and the NEA jointly issued the Notice on Improving Price Mechanisms to Promote Local Consumption of New Energy Power Generation (《關於完善價格機制促進新能源發電就近消納的通知》) (the “**Consumption Notice**”), which addresses the consumption pressure arising from the rapid growth of the new energy in certain regions and proposes advancing the priority consumption of new energy power within the provincial power grid where the power enterprises are located and in surrounding areas through improved price mechanisms. The Consumption Notice has served as a core policy document on the orderly development of new energy. In areas facing consumption problems, the new energy enterprises may encounter lower feed-in tariffs, in order to incentivize companies to actively participate in local market transactions or invest in facilities such as energy storage to enhance electricity consumption capacity.

The Reform Notice, Spot Market Notice and Consumption Notice collectively provide the orientation of institutional development for the PRC’s electricity market. The PRC is accelerating the construction of a new electricity market framework centered on a unified national electricity market system, with spot electricity markets as its core and market-based pricing mechanisms as its key, which aims for efficient new energy power consumption, supporting their role as primary power sources and ultimately achieving the dual carbon goals.

The market mechanism is primarily designed for addressing three core challenges posed by high grid integration of new energy, namely security, consumption and efficiency. The relevant policies issued aim to maximise new energy consumption capacity at both national and regional levels by promoting full participation of power companies in market transactions and refining local consumption pricing mechanisms, in order to effectively alleviate consumption pressures and ensure the orderly development of new energy.

With the continuous development of the photovoltaic market, the power trading models are gradually evolving toward market-based mechanisms. However, certain market-based transaction prices remain lower than the traditional feed-in tariffs, resulting in a decline in the Group's electricity revenue. In response to the changing policy environment, the Group is actively adjusting its operational strategies and promoting integrated short-term and mid-long-term deployments to enhance its adaptability to market-based transactions. For mid-long-term strategies, the Group has signed mid-long-term power purchase agreements with end-users or power retailers to stabilise electricity sales prices and revenue ranges, and mitigate the risks arising from market price fluctuations. For short-term strategies, the Group has established a dedicated market-based trading team and built an electricity trading platform, which integrates power forecasting with artificial intelligence models to enhance real-time analysis capabilities regarding electricity price trends and supply-demand changes, thereby strengthening decision-making efficiency and operational flexibility. By integrating the short-term and the mid-long-term strategies, the Group will continue to drive the digital and intelligent upgrade of its electricity trading mechanisms, refine risk control processes, and further enhance its competitive edge in the market.

The Group is in progress for the establishment of an infrastructure securities investment fund with injection of selected solar farm assets for listing on a stock exchange in the PRC. This initiative will facilitate a partial realisation of the value of the Group's portfolio of solar farms, reduce the Group's exposure to fixed assets and increase the financial flexibility. As of 31 December 2025, the relevant plan is still ongoing.

In recent years, significant interest rate differentials have emerged between the domestic and offshore markets, with the offshore lending rates reaching at a level that is higher than those for the domestic loans in the PRC. To effectively control the Group's financial expense, the Group has increased its domestic long-term bank loans since 2024, so as to reduce its existing offshore short-term loans. As of 31 December 2025, only 30.1% of the Group's bank loans were short-term borrowings, as compared to 34.7% as of 31 December 2024, which has reflected the continuous improvement in the Group's capital structure stability and risk management capabilities. This initiative not only effectively alleviates short-term financing pressures but also helps reduce the actual annual interest rate on bank loans, thereby lowering overall financing costs.

To further diversify the geographical coverage of the Group's solar farms, the Group successfully secured for a large-scale solar farm project in the Malaysia with an approved capacity of 100 MW by one of the Group's joint ventures in 2024, the construction of which has commenced since the second half of 2025 and the completion of the grid connection is expected to be around the end of 2026. The joint venture is established with an independent third party. The Group will continue to expand its business footprint in the Malaysia and actively participate in the bidding for the large-scale solar power projects in the country.

In addition its project in the Malaysia, the Group is also actively seeking promising new energy investment opportunities in other overseas markets to further expand its business coverage, enhance asset returns, and generate more stable and growth-oriented long-term investment returns for Shareholders.

FINANCIAL REVIEW

Revenue

For the FY2025, the Group's revenue was mainly derived from two sources, namely (i) renewable energy electricity generation and (ii) the provision of the solar farm operation and management services. Revenue from solar power electricity generation increased, due to contribution from the 2024 Portfolio and the 2025 Portfolio, as compared to 2024.

The table below sets forth an analysis of the Group's revenue for the FY2025, as compared to the FY2024.

	2025		2024		Change	
	<i>RMB'</i> <i>million</i>	%	<i>RMB'</i> <i>million</i>	%	<i>RMB'</i> <i>million</i>	<i>Increase/ (decrease) in %</i>
Sales of electricity	1,528.4	62.3	1,464.2	60.0	64.2	4.4
Tariff adjustment	915.9	37.3	964.8	39.5	(48.9)	(5.1)
	2,444.3	99.6	2,429.0	99.5	15.3	0.6
Operation and management services	9.0	0.4	11.4	0.5	(2.4)	(21.1)
Total	2,453.3	100.0	2,440.4	100.0	12.9	0.5

The Group's revenue contributed by sales of electricity and tariff adjustment net of deduction increased by 4.4% to RMB1,528.4 million and decreased by 5.1% to RMB915.9 million, respectively, as compared to the FY2024. The increase in total revenue was primarily attributable to the contribution of the 2024 Portfolio and the 2025 Portfolio, which was, however, offset by the impact of grid consumption constraints and increase in the number and the volume of the Market-Based Electricity Trading during the year.

During the FY2025, the Group’s revenue from renewable electricity generation was contributed by the following renewable energy projects:

Name of the renewable energy projects	Location in the PRC	Approved capacity (MW)
Initial solar farm projects owned and operated by the Group ^(Note)	Nine solar farm projects located in Anhui Province, Fujian Province, Hubei Province and Tianjin Municipality	954
Solar farm projects newly added in 2019 (“ 2019 Portfolio ”)	Six solar farm projects located in Anhui Province, Hubei Province and Henan Province	540
Solar farm projects newly added in 2020 (“ 2020 Portfolio ”)	Five solar farm projects located in Anhui Province, Hubei Province and Guangdong Province	340
Solar farm projects newly added in 2021 (“ 2021 Portfolio ”)	Eight solar farm projects located in Anhui Province, Hubei Province, Hebei Province and Guangdong Province	660
Solar farm projects newly added in 2022 (“ 2022 Portfolio ”)	Seven solar farm projects located in Hubei Province, Hebei Province, Shaanxi Province and Inner Mongolia Autonomous Region	520
Solar farm projects newly added in 2023 (“ 2023 Portfolio ”)	Four solar farm projects located in Hainan Province, Guangdong Province and Anhui Province	636.5
Solar farm projects newly added in 2024 (“ 2024 Portfolio ”)	Seven solar farm projects located in Guangdong Province, Yunnan Province and Anhui Province	860
Solar farm and wind farm projects newly added in 2025 (“ 2025 Portfolio ”)		
Sanshan Gaoan Solar Farm	Anhui Province	30
Kaiping Jinji Solar Farm	Yunnan Province	100
Yunfu Solar Farm	Yunnan Province	100
Jinzhai Wind Farm	Anhui Province	64
		294
		4,804.5

Note:

During the FY2025, the Group disposed of a 51% equity interest in Xinyi Solar (Tianjin) Limited (“**Xinyi Solar (Tianjin)**”), the sole owner and operator of Tianjin Huanggang Zone Solar, a solar farm located in Tianjin Municipality with an approved capacity of 174 MW. Upon completion of the disposal, Xinyi Solar (Tianjin) ceased to be a subsidiary of the Group, while the Group retains its entitlement to share the results from the 49% equity interest in Xinyi Solar (Tianjin).

The Group recorded revenue of RMB9.0 million from the provision of solar farm operation and management services for the FY2025, representing 0.4% of the total revenue. Pursuant to the Solar Farm Operation and Management Agreement, Xinyi Solar has agreed to engage the Group to operate and manage its connection-ready solar farm projects. All of the revenue in 2025 generated from the services provided to Xinyi Solar was on commercial terms, taking into consideration factors such as service quality, work efficiency and price, as compared with the services provided to independent third parties. The decrease in revenue from provision of solar farm operation and management services was primarily attributable to the reduced number of the connection-ready solar farm projects when compared to 2024.

Cost of sales

For the FY2025, the Group has continued to achieve an effective and efficient operation with lower costs through enhancement on the sophisticated management for individual solar farms and a nationwide centralised surveillance system.

In 2025, the Group's cost of sales increased by 11.5% to RMB937.2 million from RMB840.7 million in 2024. The increase was mainly due to the increase in (i) employee benefit expenses; (ii) electricity costs; (iii) the depreciation charge of property, plant and equipment and right-of-use assets of the 2024 Portfolio and the 2025 Portfolio; and (iv) the repair and maintenance expenses.

Gross profit

The Group's gross profit decreased by 5.2% to RMB1,516.0 million during the FY2025 from RMB1,599.7 million for the FY2024. The decrease was mainly due to the increase in the amount of the cost of sales which outweighed the increase in the revenue as compared to 2024.

The gross profit margin of the Group in 2025 slightly decreased by 3.8 percentage points to 61.8% from 65.6% in 2024. The decrease was mainly due to the increase in the cost of sales, which exceeded the increase in revenue. The cost of sales mainly comprised the depreciation charges of property, plant and equipment and right-of-use assets. As such, it remained fixed and did not adjust downward in response to the revenue decline caused by electricity curtailment losses.

Other income

The amount of other income for the FY2025 was RMB39.5 million, as compared to RMB22.9 million for the FY2024. The increase was primarily due to the increase in (i) the receipt of government grants; (ii) the receipt of insurance compensation; and (iii) the miscellaneous incomes.

Other gains/(losses), net

The Group recorded other gains, net of RMB93.3 million for the FY2025, as compared with other losses, net of RMB37.7 million for the FY2024. The significant increase was mainly due to (i) the gain of disposal of a subsidiary and (ii) the foreign exchange gains in 2025 compared to foreign exchange losses gains in 2024, partially offset by the increase in impairment loss of goodwill.

Administrative expenses

For the FY2025, the Group's administrative expenses increased by RMB12.7 million from RMB48.5 million for the FY2024 to RMB61.2 million for the FY2025. The increase was mainly due to (i) the increase in miscellaneous expenses; (ii) the increase in insurance expenses; and (iii) the increase in employee benefit expenses.

Finance costs

For the FY2025, the finance costs of the Group amounted to RMB277.5 million, as compared to RMB364.8 million for the FY2024. The interest expense on bank borrowings decreased from RMB319.5 million for the FY2024 to RMB225.2 million for the FY2025. The decrease was primarily due to the declined in the bank borrowing's effective interest rate during the year. The interest component on lease liabilities slightly increased to RMB52.3 million from RMB45.3 million for the FY2024, due to the completion of acquisitions of the 2024 Portfolio and the 2025 Portfolio.

Income tax expense

The Group incurred income tax expense of RMB301.9 million during the FY2025, as compared to RMB376.2 million for the FY2024. The decrease was mainly due to the decrease in the amount of the PRC withholding tax on the dividends remitted from the PRC during the year, partially offset by (i) 26 (2024: 17) solar farm projects commencing full payment of the PRC corporate income tax at the statutory rate of 25% and (ii) the impact of the increase in profit before income tax of the solar farm projects which subjected to the payment of the PRC corporate income tax.

EBITDA and net profit

For the FY2025, the EBITDA (earnings before interest, taxation, depreciation and amortisation) was RMB2,368.8 million, representing an increase of 6.1% as compared to RMB2,232.0 million in 2024. The EBITDA margin slightly increased by 5.1 percentage point from 91.5% for the FY2024 to 96.6% during the FY2025.

Net profit attributable to the equity holders of the Company during the FY2025 was RMB1,010.7 million, representing an increase of 27.8% as compared to RMB790.9 million for the FY2024. The increase in the net profit margin from 32.4% for the FY2024 to 41.2% during the FY2025 was primarily due to (i) the gain of disposal of a subsidiary; (ii) the decrease in finance costs; and (iii) the decrease in the income tax expenses partially offset by the decrease in gross profit margin.

FINAL DIVIDEND

At the meeting of the Board held on 27 February 2026, the Directors proposed a final dividend (the “**Final Dividend**”) of 3.6 HK cents per share for the FY2025. The recommendation of payment of the Final Dividend is subject to the approval of the Shareholders at the AGM to be held on Friday, 29 May 2026. If approved by the Shareholders, it is expected that the Final Dividend will be paid to the Shareholders whose names appear on the register of members of the Company on Monday, 8 June 2026.

Shareholders will be given an option to select to receive the Final Dividend in cash or in new and fully paid shares of the Company, in whole or in part, in lieu of cash dividend by scrip dividend (the “**Scrip Dividend Scheme**”). The Scrip Dividend Scheme is subject to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the new shares to be allotted and issued under the Scrip Dividend Scheme.

The Company will announce separately further information on the Scrip Dividend Scheme which includes the market value of the scrip shares under the Scrip Dividend Scheme which is expected to represent a discount to the average closing price per share as quoted on the Stock Exchange for the five consecutive trading days commenced on Tuesday, 2 June 2026 until Monday, 8 June 2026 (both days inclusive) rounded down to two decimal places.

LIQUIDITY AND FINANCIAL RESOURCES

As of 31 December 2025, the Group’s total assets increased by 3.5% to RMB22,416.2 million and net assets increased by 5.9% to RMB13,238.3 million. Current ratio of the Group as of 31 December 2025 was 1.9, as compared to 1.6 as of 31 December 2024, mainly due to (i) the increase in cash and cash equivalents and (ii) the decrease in the current portion of bank borrowings, partially offset by the decrease in trade and other receivables.

The Group’s net debt gearing ratio (bank borrowings minus cash and cash equivalents divided by total equity) as of 31 December 2025 was 48.1% (31 December 2024: 55.8%). The decrease was mainly due to the increase in cash and cash equivalent arising from the receipt of tariff adjustment subsidies.

As of 31 December 2025, the Group's financial position remained healthy, with the cash and cash equivalents balance at RMB950.6 million. During the FY2025, net cash generated from operating activities was RMB1,654.2 million (2024: RMB956.2 million), which was primarily attributable to (i) the profit before income tax of RMB1,311.5 million (2024: RMB1,167.7 million); (ii) decrease in trade and other receivables; (iii) decrease in interest paid; and (iv) decrease in income tax paid. Net cash used in investing activities amounted to RMB655.4 million (2024: RMB2,296.0 million), which was primarily attributable to payment for capital expenditure for the 2024 Portfolio and the 2025 Portfolio and the settlement of outstanding capital expenditure for renewable energy projects which had previously completed construction during the year. Net cash used in financing activities amounted to RMB398.4 million (2024: net cash generated of RMB1,104.9 million) which was primarily attributable to the repayments of bank borrowings of RMB2,713.2 million and dividends paid in cash to the Shareholders during the year, partially offset by the new bank borrowing of RMB2,680.0 million during the year.

CAPITAL EXPENDITURES AND COMMITMENTS

In 2025, the Group incurred capital expenditures of RMB984.0 million, mainly used for (i) the acquisition and further refinement of the renewable energy projects and (ii) the settlement of outstanding capital expenditures of the existing renewable energy projects. As of 31 December 2025, the Group did not have any capital commitments (2024: Nil).

PLEDGE OF ASSETS

The Group did not have any pledged asset as security for bank borrowings as of 31 December 2025 (2024: nil).

CONTINGENT LIABILITIES

As of 31 December 2025, the Group did not have any significant contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

During the FY2025, the Group completed the acquisition of three solar farm projects from Xinyi Solar and a wind farm project from Xinyi Glass Holdings Limited (stock code: 00868) and Xinyi Electric Storage Holdings Limited (stock code: 08328). Please refer to the announcements of the Company dated 28 April 2023, 28 February 2024, 23 December 2025 and 16 January 2026 for further details.

During the FY2025, the Group completed the disposal 51% equity interest of a solar farm project to an independent third party. Please refer to the announcements of the Company dated 20 November 2025 and 17 December 2025 for further details.

Save as disclosed above, the Group did not have any material acquisition and disposal of subsidiaries for the FY2025.

TREASURY POLICIES AND EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group's renewable energy projects are in the PRC with most of the transactions denominated and settled in RMB. The Group is exposed to foreign exchange risks on certain cash and cash equivalents and bank borrowings denominated in foreign currencies, the majority of which are denominated in HK\$. As part of the treasury policies, the Group would strike a deliberate balance between the risk of currency mismatch and the interest rate differentials in HK\$ and RMB borrowings. The Group commenced the drawdown from onshore bank borrowings since the first half of 2023. As of 31 December 2025, the majority of the bank borrowings were denominated in RMB.

During the FY2025, the Group has not experienced any material difficulties and liquidity problems resulting from the currency exchange rate fluctuation. However, the Group may use financial instruments for hedging purposes as and when required. For the FY2025, the Group did not use any financial instrument for hedging purpose.

EMPLOYEES AND REMUNERATION POLICY

The Group highly values its employees, sharing mutual benefits and growth with them. The Group constantly explores each employee's potential and ability. Likewise, the Group will continue to hire new employees as and when appropriate to support its business development.

As of 31 December 2025, the Group had 457 full-time employees in total in Hong Kong and the PRC. Total staff costs, including Directors' emoluments was RMB68.8 million for the FY2025. Its employees are remunerated based on their qualifications, job nature, performance and working experiences plus reference to the prevailing market rate. Apart from basic remuneration and discretionary bonus, the Group also provides mandatory provident fund scheme to employees in Hong Kong and statutory social welfare contribution to employees in the PRC, adhering to the local laws and regulations.

SHARE OPTION SCHEME

Pursuant to the share option scheme adopted by the Company on 22 November 2018, 3,500,000 share options were granted to the senior management and the employees of the Group in March 2025. The validity period of the options is from 31 March 2025 to 31 March 2029. One third of the options will vest on each of 31 December 2025, 2026 and 2027 if each grantee has met the conditions of vesting as stated in the letter of grant.

EVENT AFTER THE REPORTING PERIOD

No significant event has taken place subsequent to 31 December 2025 and up to the date of this announcement.

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

During the FY2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company (including the treasury shares).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Directors confirm that the Company has complied with the applicable code provisions contained in the Corporate Governance Code (the “**CG Code**”) as set forth in Part 2 of Appendix C1 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) during the FY2025.

MODEL CODE FOR SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set forth in Appendix C3 to the Listing Rules as the code of conduct for securities transactions by the Directors. Having made specific enquiries to the Directors, all Directors confirmed that they had complied with the required standard of dealings as set forth in the Model Code during the FY2025.

AUDIT COMMITTEE OF THE BOARD

The audit committee (the “**Audit Committee**”) of the Company was established on 22 November 2018 with written terms of reference in compliance with the CG Code, comprising of three independent non-executive Directors, namely, Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang. Mr. LEUNG Ting Yuk is the chairman of the Audit Committee. The primary duties of the Audit Committee are to review the accounting principles and practices adopted by the Group and discuss the internal control procedures and financial reporting matters.

The Audit Committee has reviewed the consolidated financial statements of the Group for the FY2025.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as of the date of this announcement, the Company has complied with the ongoing public float threshold, representing between 15% to 25% as the market capitalisation of the Company at the time of listing exceeds HK\$10 billion of the ordinary shares held by the public as required under the Listing Rules.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the FY2025 containing all the information required by the Listing Rules and other applicable laws and regulations will be published on the websites of the Company and the Stock Exchange in due course.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the FY2025 as set forth in this preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set forth in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this preliminary announcement.

AGM AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Friday, 29 May 2026. The register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026 (both days inclusive), during which period no transfer of shares will be effected. The record date for entitlement to attend and vote at AGM is Friday, 29 May 2026. In order to determine the entitlement to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 22 May 2026.

The register of members of the Company will be closed from Thursday, 4 June 2026 to Monday, 8 June 2026 (both days inclusive), during which period no transfer of shares will be effected. The record date for entitlement the Final Dividend is Monday, 8 June 2026. In order to qualify for the Final Dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 3 June 2026.

On behalf of the Board
Xinyi Energy Holdings Limited
LEE Shing Put, B.B.S.
Chairman

Hong Kong, 27 February 2026

As of the date of this announcement, the Board comprises four executive Directors, namely, Mr. LEE Shing Put, B.B.S. (Chairman of the Board), Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P., Mr. TUNG Fong Ngai and Mr. LEE Yau Ching, and three independent non-executive Directors, namely Mr. LEUNG Ting Yuk, The Hon. IP Kwok Him, G.B.M., G.B.S., J.P. and Ms. LYU Fang.

This announcement will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.xinyienergy.com.