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CGN NEW ENERGY HOLDINGS CO., LTD.
中國廣核新能源控股有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 1811)

Annual Results for the Year Ended 31 December 2025

HIGHLIGHTS OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

- Revenue for the year ended 31 December 2025 amounted to US$1,692.8 million, representing a decrease of 13.2% from US$1,951.3 million for the year ended 31 December 2024.
- Profit attributable to equity shareholders of the Company for the year ended 31 December 2025 amounted to US$275.9 million, representing an increase of 11.2% from US$248.0 million for the year ended 31 December 2024.
- The increase in profit was mainly attributable to a gain on disposal of a subsidiary of US$23.9 million in 2025 and recognition of impairment losses in respect of property, plant and equipment of US$36.1 million in 2024.
- Earnings per share for the year ended 31 December 2025 amounted to 6.43 US cents, representing an increase of 11.2% from 5.78 US cents for the year ended 31 December 2024.
- The Board recommended the payment of a final dividend for the year ended 31 December 2025 of 1.61 US cents per Share (equivalent to 12.54 HK cents per Share), totalling approximately US$69.0 million (equivalent to approximately HK$537.9 million), which is calculated based on 4,289,924,000 Shares in issue on 31 March 2026 (equivalent to 25% of profit for the year attributable to equity shareholders of the Company for the financial year of 2025 as dividends).

The Board is pleased to announce the annual results of the Group for the year ended 31 December 2025, together with the comparative figures for the corresponding period in 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025	2024
	US$'000	*US$'000*
Revenue	**1,692,850**	1,951,339
Operating expenses:		
Coal, oil, gas and wood pellet	**529,074**	761,231
Depreciation of property, plant and equipment	**370,934**	356,205
Repair and maintenance	**23,530**	24,497
Staff costs	**125,114**	131,050
Recognition of loss allowance of trade and other receivables and contract assets	**347**	19,271
Other operating expenses	**163,108**	130,751
Total operating expenses	**1,212,107**	1,423,005
Operating profit	**480,743**	528,334
Other income	**33,113**	42,639
Other gains and losses	**(5,421)**	(56,741)
Finance costs	**(158,928)**	(181,231)
Share of results of associates	**16,399**	4,251
Profit before taxation	**365,906**	337,252
Income tax	**(80,798)**	(78,971)
Profit for the year	**285,108**	258,281

	2025 *US$'000*	2024 *US$'000*
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss:		
Remeasurement of net defined benefit retirement scheme assets	**(136)**	96
Financial assets designated at fair value through other comprehensive income – net change in fair value	**4**	74
Items that are/may be reclassified subsequently to profit or loss:		
Exchange difference arising on translation of foreign operations	**46,528**	(114,387)
Reclassification adjustments for amounts transferred to profit or loss		
– release of hedging reserve	**(100)**	(104)
– deferred tax credit arising on release of hedging reserve	**19**	23
– release of cumulative gains of translation reserve upon disposal of a subsidiary	**(4,294)**	–
– release of cumulative losses of translation reserve upon deregistration of a subsidiary	**704**	–
Other comprehensive income for the year	**42,725**	(114,298)
Total comprehensive income for the year	**327,833**	143,983
Profit for the year attributable to:		
Equity shareholders of the Company	**275,868**	248,018
Non-controlling interests	**9,240**	10,263
	285,108	258,281
Total comprehensive income for the year attributable to:		
Equity shareholders of the Company	**315,418**	135,966
Non-controlling interests	**12,415**	8,017
	327,833	143,983
Earnings per Share		
– Basic *(US cents)*	**6.43**	5.78
– Diluted *(US cents)*	**6.43**	5.78

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	At 31 December	
	2025	2024
	US$'000	*US$'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**6,550,186**	6,124,678
Right-of-use assets	**245,976**	189,862
Goodwill	**131,211**	137,947
Interests in associates	**97,071**	78,777
Deferred tax assets	**29,382**	30,194
Financial assets designated at fair value through other comprehensive income	**3,486**	3,379
Net defined benefit retirement scheme assets	**1,020**	1,053
Other non-current assets	**295,511**	356,791
	7,353,843	6,922,681
CURRENT ASSETS		
Inventories	**44,222**	53,972
Trade receivables	**819,381**	886,638
Contract assets	**498,819**	390,810
Other receivables and prepayments	**124,321**	131,122
Amounts due from fellow subsidiaries	**16,950**	11,507
Derivative financial instruments	**–**	583
Pledged bank deposits	**68,507**	162,018
Cash and cash equivalents	**164,620**	158,377
	1,736,820	1,795,027

	At 31 December	
	2025	2024
	US$'000	*US$'000*
CURRENT LIABILITIES		
Trade payables	**29,749**	46,577
Contract liabilities	**721**	3,237
Other payables and accruals	**372,284**	427,901
Amounts due to fellow subsidiaries	**14,041**	16,854
Amounts due to non-controlling shareholders		
– due within one year	**3,000**	3,094
Loans from fellow subsidiaries		
– due within one year	**1,089,828**	1,245,474
Bank borrowings – due within one year	**1,606,485**	644,459
Lease liabilities – due within one year	**6,525**	11,295
Government grants	**–**	188
Tax payable	**26,193**	32,614
	3,148,826	2,431,693
NET CURRENT LIABILITIES	**(1,412,006)**	(636,666)
TOTAL ASSETS LESS CURRENT LIABILITIES	**5,941,837**	6,286,015
NON-CURRENT LIABILITIES		
Other payables and accruals		
– due after one year	**13,860**	7,821
Amount due to a non-controlling shareholder		
– due after one year	**1,383**	1,269
Loans from fellow subsidiaries		
– due after one year	**124,476**	131,197
Bank borrowings – due after one year	**3,651,109**	4,281,530
Lease liabilities – due after one year	**74,037**	55,564
Government grants	**15,369**	6,661
Deferred tax liabilities	**43,956**	42,436
	3,924,190	4,526,478
NET ASSETS	**2,017,647**	1,759,537

	At 31 December	
	2025	2024
	US$'000	*US$'000*
CAPITAL AND RESERVES		
Share capital	**55**	55
Reserves	**1,873,037**	1,617,617
Total equity attributable to equity shareholders of the Company	**1,873,092**	1,617,672
Non-controlling interests	**144,555**	141,865
TOTAL EQUITY	**2,017,647**	1,759,537

NOTES

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and the Shares are listed on the Main Board of the Stock Exchange in October 2014. The registered office of the Company is at M Q Services Ltd., Victoria Place, 1st Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The principal place of business of the Company is at Suites 1201-3 and 7-10, 12/F, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. Its immediate holding company is CGN Energy International, a company incorporated in Hong Kong with limited liability, and its ultimate holding company is CGN, a state-owned enterprise established in the PRC.

The financial information set out in this announcement does not constitute the Group's consolidated financial statements for the year ended 31 December 2025, but is derived from those financial statements.

The consolidated financial statements have been prepared in accordance with accounting policies which conform with IFRS Accounting Standards. In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and the Hong Kong Companies Ordinance for the year ended 31 December 2025.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards ("**IFRSs**"), International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Board ("**IASB**"). In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The consolidated financial statements for the year ended 31 December 2025 comprise the Group and the Group's interests in its associates.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that investments in equity securities and derivative financial instruments are stated at their fair value. The Group had net current liabilities of approximately US$1,412.0 million as at 31 December 2025. CGN Wind Energy, a fellow subsidiary of the Company, has confirmed in writing that despite the loan from CGN Wind Energy of RMB4,900.0 million (equivalent to US$697.1 million) which is due for repayment within twelve months from 31 December 2025, it will not cancel the existing loan facilities within twelve months from 31 December 2025 and that the loan will be extended upon expiry. Furthermore, taking into account the financial resources of the Group, the Group has unutilized general facilities of US$1,065.6 million as at 31 December 2025 for the next twelve months from the end of the reporting period. In addition, the directors of the Company have reviewed the Group's cash flow projections prepared by the management of the Group. The cash flow projections cover a period not less than twelve months from the end of the reporting period.

Taking into account the above-mentioned considerations, the directors of the Company are of the opinion that the Group has sufficient working capital to meet in full its financial obligations as they fall due for at least the next twelve months from the end of the reporting period and accordingly, these consolidated financial statements have been prepared on a going concern basis.

3. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

- Amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the consolidated financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. REVENUE AND SEGMENT INFORMATION

The Group has three reportable segments as follows:

(1) Power plants in the PRC – Generation and supply of electricity;

(2) Power plants in Korea – Generation and supply of electricity; and

(3) Management companies – Provision of management services to power plants operated by CGN and its subsidiaries.

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 31 December 2025

	Power plants in the PRC	**Power plants in Korea**	**Management companies**	**Total**
	US$'000	***US$'000***	***US$'000***	***US$'000***
Segment revenue – external	**933,109**	**726,957**	**32,784**	**1,692,850**
Segment results	**318,761**	**86,388**	**1,561**	**406,710**
Unallocated other income				**36**
Unallocated operating expenses				**(29,868)**
Unallocated finance costs				**(27,371)**
Share of results of associates				**16,399**
Profit before taxation				**365,906**

For the year ended 31 December 2024

	Power plants in the PRC	Power plants in Korea	Management companies	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
Segment revenue – external	1,009,907	909,788	31,644	1,951,339
Segment results	289,510	92,811	1,507	383,828
Unallocated other income				37
Unallocated operating expenses				(11,490)
Unallocated finance costs				(39,374)
Share of results of associates				4,251
Profit before taxation				337,252

The following is an analysis of the Group's assets and liabilities by reportable segments:

	At 31 December	
	2025	2024
	US$'000	*US$'000*
Segment assets		
Power plants in the PRC	**7,573,389**	7,279,722
Power plants in Korea	**1,394,519**	1,327,720
Management companies	**1,101**	1,327
Total segment assets	**8,969,009**	8,608,769
Interests in associates	**97,071**	78,777
Unallocated		
– Right-of-use assets	**1,009**	1,586
– Others	**23,574**	28,576
Consolidated assets	**9,090,663**	8,717,708
Segment liabilities		
Power plants in the PRC	**5,720,881**	5,465,778
Power plants in Korea	**680,027**	684,068
Management companies	**689**	659
Total segment liabilities	**6,401,597**	6,150,505
Unallocated		
– Bank borrowings	**403,753**	348,132
– Loans from fellow subsidiaries	**263,203**	450,000
– Lease liabilities	**1,068**	1,633
– Others	**3,395**	7,901
Consolidated liabilities	**7,073,016**	6,958,171

5. EARNINGS PER SHARE

	Year ended 31 December	
	2025	2024
	US cents	*US cents*
Earnings per Share, basic and diluted – calculated based on the number of ordinary shares outstanding at year end	**6.43**	5.78

	Year ended 31 December	
	2025	2024
	US$'000	*US$'000*
Earnings for the purposes of calculating basic and diluted earnings per Share (profit for the year attributable to ordinary equity shareholders of the Company)	**275,868**	248,018
	'000	*'000*
Number of ordinary shares outstanding at year end	**4,289,924**	4,289,924

6. TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	US$'000	*US$'000*
Trade receivables – contracts with customers	**846,095**	914,876
Less: allowance for credit losses	**(26,714)**	(28,238)
	819,381	886,638

The following is an aging analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period, which approximated the revenue recognition dates:

	As at 31 December	
	2025	2024
	US$'000	*US$'000*
0 – 60 days	**146,644**	169,513
61 – 90 days	**17,955**	18,386
91 – 180 days	**78,688**	76,634
Over 180 days	**576,094**	622,105
	819,381	886,638

As at 31 December 2025, the Group's trade receivables balance included debtors with aggregate carrying amount of US$100.5 million (2024: US$137.1 million) from the sales of electricity and other services, which are due within 20 to 90 days from the date of billing.

As at 31 December 2025, the Group's trade receivables balance included debtors with aggregate carrying amount of US$718.9 million (2024: US$749.5 million) from the tariff income receivables. These receivables are tariff income receivables from relevant government authorities pursuant to the Cai Jian [2020] No.5 Notice on the Measures for Administration of Subsidy Funds for Tariff of Renewable Energy. The collection of tariff income receivables is subject to settlement by state grid companies upon finalization of the allocation of funds by relevant PRC government authorities to the state grid companies. As a result, the tariff income receivables are not considered as overdue or in default.

The Group measures loss allowance for trade receivables and contract assets at an amount equal to lifetime ECLs, which is measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). During the year ended 31 December 2025, expected credit losses of US$1.1 million in respect of trade receivables were reversed (2024: US$13.8 million were recognized) and expected credit losses of US$1.4 million (2024: US$5.4 million) in respect of contract assets were recognized.

The Group does not hold any collateral over the trade receivables balance.

7. CONTRACT ASSETS

	As at 31 December	
	2025	2024
	US$'000	*US$'000*
Tariff income from sales of renewable energy	**521,470**	411,547
Less: allowance for credit losses	**(22,651)**	(20,737)
	498,819	390,810

The contract assets represented tariff income receivables from sales of renewable energy to the local state grid in the PRC, with such amounts pending approval for registration in the Renewable Energy Tariff Subsidy List (the "**List**") by the relevant government authorities. The contract assets are transferred to trade receivables when the right to receive payments becomes unconditional, i.e. after each of the Group's operating power plants is included in the List.

8. TRADE PAYABLES

The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period:

	As at 31 December	
	2025	2024
	US$'000	*US$'000*
0 – 60 days	**21,534**	40,571
61 – 90 days	**41**	1,078
Over 90 days	**8,174**	4,928
	29,749	46,577

The average credit period on purchase of goods is 37 days (2024: 41 days) for the year ended 31 December 2025. The Group has financial risk management policies in place to ensure all payables are settled within the credit period.

9. LOANS FROM FELLOW SUBSIDIARIES

		As at 31 December	
		2025	2024
	Notes	***US$'000***	*US$'000*
Loans from fellow subsidiaries – due within 1 year:			
CGN Finance	*i(a)*	**129,493**	127,732
CGN Wind Energy	*ii*	**697,132**	667,742
CGNPC Huasheng	*iii*	**263,203**	–
China Clean Energy	*iv*	**–**	450,000
		1,089,828	1,245,474
Loans from fellow subsidiaries – due after 1 year:			
CGN Finance	*i(b)*	**124,476**	131,197

Notes:

(i)(a) Loans from CGN Finance of RMB892.0 million (equivalent to US$126.9 million) (31 December 2024: RMB900.0 million (equivalent to US$125.2 million)) are unsecured, interest bearing at 2.40% (31 December 2024: 2.40%) per annum and repayable within one year; and

Loans from CGN Finance of RMB18.2 million (equivalent to US$2.6 million) (31 December 2024: RMB18.2 million (equivalent to US$2.5 million)) are unsecured, interest bearing at RMB Loan Prime Rate announced by the PRC National Interbank Funding Center ("**RMB Loan Prime Rate**") minus 0.65% to 1.40% (31 December 2024: RMB Loan Prime Rate minus 0.65% to 1%) per annum and repayable within one year.

(i)(b) Loans from CGN Finance of RMB874.9 million (equivalent to US$124.5 million) (31 December 2024: RMB943.1 million (equivalent to US$131.2 million)) are unsecured, interest bearing at RMB Loan Prime Rate minus 0.65% to 1.35% (31 December 2024: RMB Loan Prime Rate minus 0.65% to 1.35%) per annum and repayable in 2030 to 2040 (31 December 2024: 2032 to 2040).

(ii) Loan from CGN Wind Energy of RMB4,900.0 million (equivalent to US$697.1 million) (31 December 2024: RMB4,800.0 million (equivalent to US$667.7 million)) is unsecured, interest bearing at 2.40% (31 December 2024: 2.40%) per annum and repayable in 2026 (31 December 2024: 2025).

(iii) Loans from CGNPC Huasheng of RMB1,850.0 million (equivalent to US$263.2 million) (31 December 2024: Nil) are unsecured, interest bearing at 1.90% (31 December 2024: Nil) per annum and repayable in 2026 (31 December 2024: Nil).

(iv) As at 31 December 2024, loan from China Clean Energy of US$450.0 million was unsecured, interest bearing at 4.50% per annum and repayable in 2025. The amount has been fully repaid during the year.

10. BANK BORROWINGS

The Group's total bank borrowings increased from US$4,926.0 million as at 31 December 2024 to US$5,257.6 million as at 31 December 2025. Details of bank borrowings are as follows:

	As at 31 December	
	2025	2024
	US$'000	*US$'000*
Secured	**2,558,547**	2,725,292
Unsecured	**2,699,047**	2,200,697
	5,257,594	4,925,989

The maturity profile of bank borrowings is as follows:

Within 1 year	**1,606,485**	644,459
After 1 year but within 2 years	**531,841**	405,627
After 2 years but within 5 years	**1,468,825**	2,323,776
Over 5 years	**1,650,443**	1,552,127
	3,651,109	4,281,530
	5,257,594	4,925,989

As at 31 December 2025, the Group had unutilized banking facilities of US$1,953.9 million (2024: US$1,655.1 million).

MANAGEMENT DISCUSSION AND ANALYSIS

I. Operating Results and Analysis

In 2025, the revenue of the Group amounted to US$1,692.8 million, representing a decrease of 13.2% compared with last year. In 2025, the operating profit of the Group amounted to US$480.7 million, representing a decrease of 9.0% compared with last year.

In 2025, the profit attributable to equity shareholders of the Company amounted to US$275.9 million, representing an increase of US$27.9 million or 11.2% compared with last year. In 2025, the profit of the Group amounted to US$285.1 million, representing an increase of US$26.8 million or 10.4% compared with last year.

Revenue

In 2025, the revenue of the Group amounted to US$1,692.8 million, representing a decrease of 13.2% compared with US$1,951.3 million of last year.

The revenue derived from wind projects in the PRC in 2025 amounted to US$651.9 million, representing a decrease of 5.1% compared with US$687.0 million of last year. Such decrease was mainly attributable to the decrease in tariff.

The revenue derived from coal-fired, cogen and gas-fired projects in the PRC in 2025 amounted to US$36.3 million, representing a decrease of 70.1% compared with US$121.3 million of last year. Such decrease was mainly attributable to disposal of the cogen project in March 2025.

The revenue derived from Korea in 2025 amounted to US$727.0 million, representing a decrease of 20.1% compared with US$909.8 million of last year. Such decrease in revenue was mainly attributable to the decrease in both weighted average tariff and power generation of Korea gas-fired projects.

Operating Expenses

In 2025, the operating expenses of the Group amounted to US$1,212.1 million, representing a decrease of 14.8% compared with US$1,423.0 million of last year. The decrease in operating expenses was mainly due to a decrease in gas costs of Korea gas-fired projects, as well as the decrease in coal costs of a PRC cogen project upon disposal in March 2025.

Operating Profit

In 2025, the operating profit, which is equal to revenue minus operating expenses, of the Group amounted to US$480.7 million, representing a decrease of US$47.6 million or 9.0% compared with US$528.3 million of last year. The decrease in operating profit was mainly caused by the decrease in revenue from the PRC wind projects due to the decrease in tariff.

Other Income

Other income mainly represented government grants, income on sale of carbon emission quota, compensation from insurance companies and interest income. In 2025, other income of the Group amounted to US$33.1 million, representing a decrease of US$9.5 million compared with US$42.6 million of last year. The decrease in other income was mainly due to the decrease in compensation income from Korea's fuel cell project of US$25.8 million in 2024, which was net off by the income on sale of carbon emission quota of US$9.6 million and increase in compensation from insurance companies of US$5.4 million in 2025.

Other Gains and Losses

In 2025, the other losses amounted to US$5.4 million, representing a decrease of US$51.3 million compared with US$56.7 million of last year. The decrease in other losses was mainly attributable to the gain on disposal of a subsidiary of US$23.9 million in 2025 and the decrease in impairment losses of US$36.1 million recognized in respect of property, plant and equipment for our PRC wind projects and Korea’s fuel cell project in 2024.

Gain on Disposal of a Subsidiary

In March 2025, the Group disposed of its entire equity interest in Nantong Meiya Co-generation Co., Ltd. through a public tender process on the Shanghai United Assets and Equity Exchange Co., Ltd. to Nantong Nengda Construction Investment Co., Ltd. at a consideration of RMB475.0 million (equivalent to US$65.7 million). The Group recognized a gain on disposal of US$23.9 million under other gains and losses.

Finance Costs

In 2025, the finance costs of the Group amounted to US$158.9 million, representing a decrease of US$22.3 million or 12.3% compared with US$181.2 million of last year. The decrease in finance costs was mainly attributable to the decrease in weighted average interest rate of bank borrowings and loans from fellow subsidiaries to 2.82% in 2025 from 3.26% in 2024.

Share of Results of Associates

In 2025, the share of profit of associates amounted to US$16.4 million, representing an increase of US$12.1 million compared with US$4.3 million of last year. The increase in profits of the associates was mainly attributable to the decrease in market coal price during the year.

Income Tax

In 2025, the income tax of the Group amounted to US$80.8 million, representing an increase of US$1.8 million or 2.3% compared with US$79.0 million of last year, which was mainly due to the expiration of the preferential tax rate periods of certain subsidiaries in the PRC.

Liquidity and Capital Resources

The Group's cash and cash equivalents increased from US$158.4 million as at 31 December 2024 to US$164.6 million as at 31 December 2025, which was mainly due to the decrease in net cash used in investing activities.

Net Debt/Equity Ratio

The Group's net debt/equity ratio decreased from 3.49 as at 31 December 2024 to 3.13 as at 31 December 2025.

Dividend

At the Board meeting held on 31 March 2026, the Board recommended the payment of a final dividend for the year ended 31 December 2025 of 1.61 US cents per Share (equivalent to 12.54 HK cents per Share), totalling approximately US$69.0 million (equivalent to approximately HK$537.9 million), which is calculated based on 4,289,924,000 Shares in issue on 31 March 2026. The payout ratio of the proposed dividend is 25% of the profit for the year attributable to equity shareholders of the Company for the financial year of 2025.

Financial Position

Non-current assets increased from US$6,922.7 million as at 31 December 2024 to US$7,353.8 million as at 31 December 2025, which was mainly due to the increase in property, plant and equipment during the year.

Current assets decreased from US$1,795.0 million as at 31 December 2024 to US$1,736.8 million as at 31 December 2025, which was mainly attributable to the decrease in pledged bank deposits.

Current liabilities increased from US$2,431.7 million as at 31 December 2024 to US$3,148.8 million as at 31 December 2025, which was mainly due to the increase in short-term bank borrowings.

Non-current liabilities decreased from US$4,526.5 million as at 31 December 2024 to US$3,924.2 million as at 31 December 2025, which was mainly due to the decrease in long-term bank borrowings.

Capital Expenditure

The Group's capital expenditure decreased by US$174.2 million to US$713.8 million in 2025 from US$888.0 million in 2024.

Contingent Liabilities

As at 31 December 2025 and 31 December 2024, the Group had no material contingent liabilities.

Pledged Assets

The Group pledged certain property, plant and equipment, trade receivables, contract assets and bank deposits for credit facilities granted to the Group. As at 31 December 2025, the total carrying value of the pledged assets amounted to US$2,000.6 million (2024: US$1,983.1 million).

Employees and Remuneration Policy

As at 31 December 2025, the Group had about 2,395 full-time employees, with the majority of them based in China. The Group provides its employees with salaries and bonuses, as well as employee benefits, including retirement schemes, medical and life insurance schemes.

Employees located in China are covered by the mandatory social security schemes required by relevant rules and regulations of the PRC, which are essentially defined contribution schemes. The Group is required by the PRC law to contribute a certain percentage of the average salaries of the employees to various schemes in accordance with the regulatory requirements in the locations of the entities and the Group's policies. The PRC government is directly responsible for the payment of the benefits to these employees.

In Korea, the Group is required by law to contribute 4.75% of the employees' monthly average salaries for the national pension, 3.595% for national health insurance (13.14% of the national health insurance is contributed for long-term care insurance), 0.9% for unemployment insurance, 0.857% (Seoul Office)/0.968% (Yulchon)/0.927% (Daesan) for the industrial accident compensation insurance and 0.06% for a wage claim guarantee fund.

In Hong Kong, the Group participates in a mandatory provident fund scheme established under the Mandatory Provident Fund Schemes Ordinance (Cap. 485). Employees contribute 5.0% of their relevant income to the mandatory provident fund scheme subject to a cap of monthly relevant income of HK$30,000, and the Group contributes 10.0% of each employee's monthly base salary.

II. Industry Overview

China Power Market:

In 2025, the new energy industry continued to maintain a stable growth trend and achieved high-quality development, laying a solid foundation for China to achieve its carbon peak and carbon neutrality goals. By the end of 2025, the installed capacity of renewable energy amounted to 2,337 GW, accounting for over 60% of the total installed capacity of the PRC, with an increase of 3.5 percentage points over 2024. Specifically, the installed capacity of wind power, solar power, biomass power, and conventional hydropower reached 640 GW, 1,202 GW, 47 GW, and 448 GW, respectively.

2025 marks the final year for the power planning of the "14th Five-Year Plan" period, and a crucial year for the development layout of the "15th Five-Year Plan" period. Since 2025, under the guidance of policies, the new energy industry has shown a macro development characteristic of "equal emphasis on security guarantee and green transformation, coordination between technology upgrading and market reform".

Firstly, accelerate the exploration of new models and scenarios for the development and utilization of new energy. In recent years, the installed capacity of new energy has grown rapidly, and the energy supply revolution has achieved significant results, but the issue of consumption has become prominent. As new energy enters a new stage of development, it is urgent to use integrated development models, such as direct green power connection and zero carbon parks, to drive new energy to shift from "supply driven" to "demand guided" and "production-marketing coordination", so as to achieve on-site consumption.

In May 2025, the NDRC and the NEA issued the "Notice on Promoting the Orderly Development of Direct Green Power Connection" (《關於有序推動綠電直連發展有關事項的通知》), which proposed: (1) direct green power connection refers to the mode where new energy, such as wind power, solar power and biomass power, is supplied to single electricity consumers through direct connection lines instead of the public power grid, so as to achieve clear physical traceability of the supplied electricity; (2) to determine four scenarios for project implementation. Four scenarios are determined for project construction, such as existing load, new load, export-oriented enterprises, and restricted consumption of new energy, which are classified and standardized; (3) in regions where the spot market operates continuously, the model of self-generating electricity for self-use and connecting surplus electricity to the public power grid can be adopted. In regions where the spot market does not operate continuously, it is not allowed to feed electricity back into the public power grid; (4) relevant fees shall be paid in reasonable basis.

In September 2025, the NDRC and the NEA issued the "Notice on Improving the Pricing Mechanism to Promote the On-Site Consumption of New Energy Electricity" (《關於完善價格機制促進新能源發電就近消納的通知》), which clarified: (1) for on-site consumption projects that connect to the public power grid with power sources, loads, energy storage, etc. as a whole, form a clear physical interface and a safety responsibility interface, and use new energy electricity as the main power source, the public power grid should provide services including reliable power supply according to the grid-connected capacity to ensure their safe and stable use of electricity; (2) projects should pay transmission and distribution fees based on installed capacity (demand), and the electricity fed into the grid will no longer be subject to the system backup fees or transmission and distribution fees. Projects with high requirements for reliability and requiring capacity backup as required can choose to continue paying according to the current two-part tariffs for electricity transmission and distribution; (3) projects that use the public power grid should be treated as an industrial and commercial user. Such projects should temporarily pay system operation fees based on the electricity fed into the grid and gradually transit to pay based on occupied capacity and other methods, and are temporarily exempted from paying new surpluses or deficits arising from the policy-based cross-subsidy on self-consumed electricity; (4) the line loss cost incurred by grid connection should be assumed according to the electricity fed into the grid. Projects should participate in the electricity market as a unified whole in principle. In regions where the spot market operates continuously, the trading and price settlement of on-grid electricity should be subject to the market rules; in regions where the spot market does not operate continuously, it is generally not allowed to feed electricity back into the public power grid or settle accounts for electricity transmission. In need of electricity, projects should directly participate in market transactions instead of allowing power grid enterprises to act as their agents for procuring electricity.

In October 2025, the NDRC and the NEA issued the "Guiding Opinions on Promoting the Consumption and Regulation of New Energy"(《關於促進新能源消納和調控的指導意見》), which proposed to: (1) establish a multi-level new energy consumption and regulation system by 2030, and basically complete a new power system adapted to a high proportion of new energy by 2035; (2) coordinate the external transmission and local consumption for new energy bases in "desert, Gobi, and barren land"; relying on the hydropower bases in Southwest China to optimize the integrated development and consumption plan of hydro, wind, and solar energy bases; scientifically lay out offshore wind power and optimize its transmission network for on-site consumption; (3) create new consumption models and business formats to construct an industrial system for integrated development of new energy, and create an integrated green fuel industry and zero carbon parks; (4) strengthen the adaptability of the power system in multiple dimensions. Enhance the regulating capability of the system, and promote the construction and renovation of various regulating power sources such as hydropower and pumped storage power; (5) improve the nationwide unified power market system.

Secondly, accelerate the power market construction and the market-oriented reform. Accelerate the improvement of the nationwide power market construction, continue to deepen the market-oriented reform, and lead the industry to shift from "high-speed development" to "stable quantity and excellent quality" through the "Circular No. 136". At the same time, promote the large-scale and market-oriented development of energy storage and other regulating power sources to highlight their important roles in the new power system.

In February 2025, the NDRC and the NEA jointly issued the "Notice on Deepening Market-Oriented Reform of New Energy Feed-in Tariffs 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》). The document stipulates that: (1) new energy projects shall in principle feed all their electricity generation into the power market, with tariffs determined through market transactions; (2) a mechanism for price differential settlement shall be established outside the market. The electricity tariff level, electricity volume scale, implementation period, and other aspects of new energy incorporated into this mechanism shall be clearly defined by the provincial-level price regulatory authorities in conjunction with the provincial-level energy regulatory authorities, electricity operation regulatory authorities, and other relevant departments; (3) unreasonable cost allocation to new energy projects and mandatory energy storage requirements as preconditions for project approval, grid connection or access to the grid shall be prohibited.

In August 2025, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the "Opinions on Promoting Green and Low-Carbon Transformation and Strengthening the Construction of the Nationwide Carbon Market" (《關於推進綠色低碳轉型加強全國碳市場建設的意見》), which clarified the overall requirements, medium- and long-term roadmap, and implementation path for the construction of the nationwide carbon market. The document proposed: (1) by 2027, the nationwide carbon emission trading market (mandatory carbon market) will basically cover major emission industries in the industrial sector, and the nationwide trading market for voluntary greenhouse gas emission reduction (voluntary carbon market) will achieve full coverage in key areas. By 2030, a nationwide carbon emission trading market based on total quota control and combining with free and paid distribution will be basically established; (2) to optimize the quota allocation mechanism. Gradually shift from intensity control to total quantity control; (3) to enrich products traded in the carbon market. Establish and improve carbon pledge, carbon repurchase and other policies and systems; (4) to deepen international exchanges and cooperation. Actively participate in the formulation of carbon market mechanisms and rules related to the Paris Agreement on climate change.

In September 2025, the NDRC and the NEA issued the "Guidelines for the Market Construction in Regions with Continuous Operation of Spot Electricity"(《電力現貨連續運行地區市場建設指引》), which proposed to: (1) support localities in exploring and improving the mechanism of comprehensively putting new energy into the spot market, and improve the mechanism for various market operators to participate in the spot market; (2) accelerate the improvement of the medium- and long-term market trading mechanism, improve the auxiliary frequency regulation service market, study and establish a capacity compensation mechanism for various power sources, and build a capacity market when conditions permit.

In September 2025, the NDRC and the NEA issued the "Special Action Plan for the Large-scale Construction of New-Type Energy Storage" (《新型儲能規模化建設專項行動方案》), which clarified: (1) by 2027, the installed capacity of new-type energy storage in PRC will reach over 180 GW; (2) lithium-ion batteries will still dominate the energy storage technology route, accompanied with the commercial development of compressed air, liquid flow, sodium ion, and flywheel energy storage; (3) to expand application scenarios, including supporting facilities for bases in "desert, Gobi, and barren land", independent energy storage at key grid nodes, the integration of power generation, grid, load and storage, direct green power connection, microgrid, etc.; (4) to recover costs and generate revenue for new-type energy storage through the "electricity energy market + ancillary services market + capacity market".

In December 2025, the NDRC and the NEA issued the "Several Opinions on Promoting the Large-scale Development of Solar Thermal Power Generation" (《關於促進光熱發電規模化發展的若干意見》), which proposed: (1) by 2030, the total installed capacity of solar thermal power aims to reach around 15 GW, and the cost per kWh will be roughly equivalent to that of coal-fired power; (2) to actively cultivate the application market of solar thermal power, including three key scenarios: supporting solar thermal power stations in large bases, supportive and adjustable new energy power stations based on solar thermal power generation, and the integrated system of power generation, grid, load and storage based on solar thermal power generation; (3) to promote the fair participation of solar thermal power in the power market, and compensate the eligible solar thermal power generation capacity based on its firm capacity. Encourage relevant provinces to explore and establish a method for evaluating the firm capacity of solar thermal power stations, and align them with relevant national requirements after the establishment of a national firm capacity compensation mechanism.

Thirdly, further stimulate the demand for green electricity on the consumer side. On the one hand, the renewable energy consumption obligation target for each province will increase year by year. On the other hand, the proportion of green electricity consumption in key industries will be clarified. In addition to the electrolytic aluminum industry, green electricity consumption in additional industries, including iron and steel, cement, polycrystalline silicon, and newly-built data centers at national hub nodes, will be monitored this year. At the local level, implementation rules such as "Direct Green Power Connection", "Circular No. 136", "Consumption Obligation Target", and "Zero Carbon Park" have been gradually introduced to further implement the spirit of national policies.

In March 2025, the Ministry of Ecology and Environment (MEE) issued the "Work Plan for the National Carbon Emission Trading Market to Cover the Iron and Steel, Cement, and Aluminum Smelting Industries" (《全國碳排放權交易市場覆蓋鋼鐵、水泥、鋁冶煉行業工作方案》), which proposed to: (1) implement in stages. In the implementation initiation stage (2024 to 2026), the main goal is to solidify the foundation of carbon emission management and promote enterprises to familiarize themselves with market rules. In the deepening and improvement stage (after 2027), the policy and regulatory system will be more comprehensive, the supervision and management mechanism will be more robust, and the ability of all parties to participate in the market will be comprehensively improved; (2) the iron and steel, cement, and aluminum smelting industries will be required to control direct greenhouse gases emissions generated from fossil fuel combustion and industrial processes.

In June 2025, the NDRC, the Ministry of Industry and Information Technology (MIIT), and the NEA jointly issued the "Notice on the Construction of Zero Carbon Parks" (《關於開展零碳園區建設的通知》), proposing an evaluation system for zero carbon parks with "carbon emissions per unit of energy consumption" as the core indicator, and clarifying key tasks, application conditions, and important indicators.

In July 2025, the NDRC and the NEA issued the "Notice on the Renewable Energy Consumption Obligation Targets for 2025 and Related Matters"(《關於2025年可再生能源電力消納責任權重及有關事項的通知》), which proposed: (1) the renewable energy consumption obligation target for each province is an obligatory target for 2025. Taking into account the gradual decline in the utilization rate of new energy sources and the limited capacity of the local grid to accommodate the new energy sources, the upper limit of the obligation target for non-water renewable energy consumption in multiple provinces is tentatively set at 30%; (2) 2026 is an anticipated target; (3) the carry-over mechanism should be abolished. The renewable energy electricity consumption obligation targets for 2025 should be fulfilled within the same year and shall not be transferred to 2026. In any region where the total consumption obligation target has not been completed by 2024, the remaining consumption obligation will be transferred to 2025, which will be fulfilled in 2025, and will not be transferred to 2026.

In October 2025, the NDRC issued the "Implementation Measures for the Minimum Proportion Target of Renewable Energy Consumption and the Obligation Targets System for Renewable Energy Electricity Consumption (Exposure Draft)" (《可再生能源消費最低比重目標和可再生能源電力消納責任權重制度實施辦法(徵求意見稿)》), which proposed: (1) the minimum proportion target of renewable energy consumption can be divided into two categories: the minimum proportion target of renewable energy electricity consumption and the minimum proportion target of non-electricity consumption; (2) the minimum proportion target of renewable energy electricity consumption in key energy-consuming industries can be achieved through methods such as self-generated electricity for self-use, direct green power connection, and green electricity trading (transfer) based on green power certificate; the minimum proportion target of renewable energy non-electricity consumption can be achieved through renewable energy for heating (cooling), renewable energy for hydrogen and ammonia and methanol production, and other comprehensive utilization, as well as non-electricity utilization of biomass energy, etc.

Korean power market:

As Korea's power market is undergoing a transformation of energy structure, in accordance with the Korean government's policy to reduce greenhouse gas emissions, the use of carbon-free energy such as renewable energy is expected to increase in the future. As the operation of new power plants would intensify the competition in the power market, the profitability of Korean gas-fired power generation companies might be hindered. However, gas-fired power plants can respond quickly to the intermittency of power generation of renewable energy. Therefore, as renewable energy develops, the importance of gas-fired power plants also increases. Also, the clean hydrogen power generation bidding market called Clean Hydrogen Portfolio Standard (CHPS) has been opened in Korea, and gas-fired power plants can participate in this market through the conversion of co-firing with hydrogen to increase the revenue sources as well.

III. Business Review

The Group's portfolio of assets comprises wind, solar, gas-fired, coal-fired, oil-fired, hydro and biomass power generation projects and an energy storage project, which are in the PRC and Korea power markets. The Group's business in the PRC covers 19 provinces, two autonomous regions and two municipalities with a wide geographical coverage and diversified business scope. As of 31 December 2025, the operations in the PRC and Korea accounted for approximately 80.1% and 19.9% of the Group's attributable installed capacity of 10,905.3 MW, respectively. Clean and renewable energy projects (namely, wind, solar, gas-fired, hydro and biomass projects) accounted for 86.3% of the Group's attributable installed capacity; and conventional energy projects (namely, coal-fired and oil-fired projects) accounted for 13.7% of the Group's attributable installed capacity.

The following table sets out items selected by us from the results of the Group (by fuel type):

US$ million	Korea Projects	PRC Coal-fired, Cogen and Gas-fired Projects	PRC Hydro Projects	PRC Wind Projects	PRC Solar Projects	Corporate	Total
For the year ended 31 December 2025							
Revenue	**727.0**	**36.3**	**7.1**	**651.9**	**166.8**	**103.7**	**1,692.8**
Operating expenses	**(629.9)**	**(39.4)**	**(4.8)**	**(334.7)**	**(102.8)**	**(100.5)**	**(1,212.1)**
Operating profit/(loss)	**97.1**	**(3.1)**	**2.3**	**317.2**	**64.0**	**3.2**	**480.7**
Profit/(loss) for the year	**70.5**	**34.4**	**1.4**	**244.1**	**29.3**	**(94.6)**	**285.1**
Profit/(loss) attributable to equity shareholders of the Company	**70.5**	**36.5**	**0.9**	**235.1**	**27.5**	**(94.6)**	**275.9**
For the year ended 31 December 2024							
Revenue	909.8	121.3	9.0	687.0	142.9	81.3	1,951.3
Operating expenses	(800.1)	(105.7)	(6.1)	(342.3)	(86.2)	(82.6)	(1,423.0)
Operating profit/(loss)	109.7	15.6	2.9	344.7	56.7	(1.3)	528.3
Profit/(loss) for the year	75.0	16.1	1.4	236.5	24.6	(95.3)	258.3
Profit/(loss) attributable to equity shareholders of the Company	75.0	15.5	1.1	228.4	23.3	(95.3)	248.0

Korea Projects

The decrease in profit for the year was mainly attributable to the decrease in power generation, which was mainly because of the maintenance and decrease in the load of power grid dispatch in Korea gas-fired projects.

PRC Coal-fired, Cogen and Gas-fired Projects

The increase in profit for the year was mainly attributable to the gain on disposal of the PRC cogen project, and increase in profit from the PRC coal-fired associate, which was net off with decrease in contribution from the PRC cogen project upon disposal in March 2025.

PRC Wind Projects

The total power generation of the PRC wind projects remained flat in 2025, meanwhile the tariff decreased due to keen market competition. The drop in revenue led to a decrease in operating profit. Given finance costs saved from loan substitution with lower interest rate in 2025 and impairment losses recognized in respect of property, plant and equipment in 2024, the overall profit increased in 2025.

PRC Solar Projects

The attributable installed capacity of solar projects increased by 411.8 MW in 2025, which drove the power generation to increase significantly during the year. Despite the downward trend of tariff, the total revenue still increased comparatively, which led to the increase in overall profit in 2025.

Installed Capacity

The attributable installed capacity of the Group's power assets as at 31 December 2025 and 2024 by fuel type are set out as follows:

	As at 31 December	
	2025	2024
	(MW)	***(MW)***
Clean and renewable energy portfolio		
Wind	**4,540.5**	4,436.4
Solar	**2,957.2**	2,545.4
Gas-fired	**1,745.0**	1,745.0
Hydro	**56.3**	56.3
Biomass	**109.5**	109.5
Subtotal	**9,408.5**	8,892.6
Conventional energy portfolio		
Coal-fired	**989.8**	989.8
Oil-fired	**507.0**	507.0
Cogen	**–**	63.0
Subtotal	**1,496.8**	1,559.8
Total attributable installed capacity	**10,905.3**	10,452.4

As of 31 December 2025, the attributable installed capacity of the Group reached 10,905.3 MW, representing a year-on-year increase of 452.9 MW or 4.3%. In particular, the newly added attributable installed capacity of wind power and solar power amounted to 104.1 MW and 411.8 MW, respectively, totaling 515.9 MW.

The attributable installed capacity of wind power amounted to 4,540.5 MW, representing a year-on-year increase of 104.1 MW or 2.3%; whereas the attributable installed capacity of solar power amounted to 2,957.2 MW, representing a year-on-year increase of 411.8 MW or 16.2%. The wind power and solar power accounted for 68.8% of the Group's attributable installed capacity. As of 31 December 2025, the consolidated installed capacity of the power plants reached 10,222.0 MW.

In 2025, the Group's newly added attributable installed capacity of wind power of 104.1 MW was mainly distributed by region as follows: (1) 64.6 MW in Tianjin Municipality; and (2) 37.5 MW in Shandong Province.

In 2025, the Group further strengthened the development of its solar business, and the newly added attributable installed capacity of 411.8 MW was mainly distributed by region as follows: (1) 50.0 MW of newly added attributable installed capacity from the continuation of Zhaoyuan Offshore Photovoltaic Project in Shandong Province, which was connected to the grid in full capacity; (2) 72.0 MW in Jiangsu Province, including 12.0 MW of newly added attributable installed capacity from the continuation of Jianhu Fishery and Photovoltaic Complementary Phase I Photovoltaic Project in Jiangsu Province, which was connected to the grid in full capacity; (3) 135.0 MW in Hebei Province; (4) 100.0 MW in Hainan Province; and (5) 50.0 MW in Tianjin Municipality.

In the first half of 2025, the transfer of the equity interest in the Group's cogen project in Jiangsu Province with the total installed capacity of 63.0 MW was completed.

As of 31 December 2025, the Group owned an energy storage station project in Jiangsu Province, with a power storage capacity of 200 MW/400 MWh.

As of 31 December 2025, the Group had the following major projects under construction in the PRC (total installed capacity): (1) 252.0 MW offshore wind power project in Zhejiang Province; and (2) 140.0 MW solar power project in Jiangsu Province.

Party Building Work

The Company has steadfastly upheld the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implemented the spirit of the 20th National Congress of the Communist Party of China and all plenary sessions of the 20th Central Committee, and thoroughly studied and applied General Secretary Xi Jinping's important thoughts on Party building. The Company strengthened education in ideals and convictions, consolidated and expanded the achievements of learning and education, and advanced the comprehensive and strict governance of the Party in depth. The Company continuously enhanced the overall effectiveness of the development of grassroots Party organizations, and persistently promoted the deep integration of Party building work with production and business operations.

Safety Management

The Company has thoroughly studied and implemented General Secretary Xi Jinping's important statement and directions on production safety, consistently upholding the principle of the people first and life first. We remain firmly committed to the safety policy of "safety first, prevention foremost, comprehensive governance" and rigorously enforce the "three musts for three managements" requirement (i.e. safety must be guaranteed in management of industry, management of operation and management of production). We continue to adhere to the fundamental principles of "Safety First, Quality Foremost and Pursuing Excellence". In 2025, the Company adhered to a strict approach, strengthened operations at the basic level and reinforced the foundation, and focused on the theme of the "year of principal responsibility implementation". We fulfilled the corporate mission to "safeguard life, health and safety of employees", enhanced the effectiveness of the quality management system, and advanced the development of new business frameworks. We focused on three foundational tasks: establishing a dual prevention mechanism, standardizing production safety, and technology-driven safety enhancement. In parallel, we implemented six special tasks: cultivating a strong safety culture, promoting the "Five Modernizations" – modularization, mechanization, automation, digitization and intrinsic safety demonstration, environmental compliance, emergency management, fire safety and capacity building. Through systematic planning and coordinated execution, we have continuously raised our integrated management standards in safety, quality, and environmental protection. These initiatives have delivered tangible improvements in production safety performance, providing a solid foundation for the Company's sustainable, high-quality development.

Project Construction

2025 represented a pivotal juncture, bridging the conclusion of the "14th Five-Year Plan" and the formulation of the "15th Five-Year Plan". In alignment with national strategic objectives on "Dual Carbon" and the transition towards a cleaner energy structure, the Company remained firmly focused on engineering construction and project execution within core new energy sectors, including wind power, solar energy, and energy storage. During the reporting period, the Company's engineering construction operations adhered to the guiding principles of "Safety First, Quality Foremost and Pursuing Excellence". We implemented comprehensive, end-to-end management across the entire project lifecycle from initiating new projects and overcoming challenges in ongoing works to completing final handovers, thereby achieving continuous improvement in construction quality and operational efficiency.

Development of Preliminary Projects

The Company adapted to the market-oriented reform trend of new energy sources and comprehensively improved its project development capabilities. Meanwhile, in response to national strategies, it proactively integrated into the construction of a new power system, shifting from reliance on power grid accommodation toward comprehensive utilization of multiple energy sources. On the one hand, the Company adopts a market-oriented mindset to guide planning and development. In regions with supportive market trading tariff and sufficient local consumption capacity, priority is given to high-quality wind and solar projects with excellent resource endowments and mature development conditions. The Company established the whole-chain integrated operation philosophy of "development, construction, operation and value-added", strives to achieve optimal overall costs and effectively enhance the projects' market competitiveness. On the other hand, the Company explores and develops a model of diversified, synergistic and integrated development. It extends the industrial chain vertically to explore non-electricity utilization such as green fuels; expands application scenarios horizontally to promote synergy with multiple sectors such as energy-intensive industries and computing infrastructure; and at appropriate times, expands "new energy+" application scenarios, focusing on greater efforts to develop new models including virtual power plants, direct green power connection and zero carbon parks.

Marketing

Taking tariff benchmarking and tariff profit-loss analysis as core methodologies, the Company guides its provincial companies to continuously explore room for tariff hikes through transaction benchmarking, refined profit-loss analysis and optimization, thereby strengthening market competitiveness. In the meantime, in accordance with the principle of "one policy per province", the Company tailored its tariff increase plans to local conditions, providing precise guidance for provincial companies to enhance their transaction competitiveness and seizing the initiative for the steady operation of the Company amid intense market competition.

In 2025, the Company proactively responded to the new landscape featuring the full-speed acceleration of electricity market development and the comprehensive entry of new energy sources into the market, and faced the downward pressure on tariff head-on. Adhering to the integrated four-pronged development model of "Reform and Innovation + Data-driven Approaches + Capacity Building + Technology Empowerment" as the core driver, the Company systematically enhanced its market-oriented trading capabilities. The Company continuously optimized the electricity trading model and built a full-process, multi-dimensional and closed-loop electricity trading management system. The Company precisely optimized the output curves of power stations and formulated scientific time-of-use trading strategies, while comprehensively strengthened the coordinated allocation of wind and solar resources and the in-depth excavation of high-quality loads on the user side. The Company steadily expanded the scale of inter-provincial green electricity trading and continuously increased the share in the green certificate market. Meanwhile, it improved the full-cycle granular management system for the spot market, established an early warning linkage mechanism for extreme weather and a rolling trading model across multiple time scales. This deepened its capabilities in judging electricity supply and demand and predicting price trends, enabling the dynamic connection and coordinated optimization of medium and long-term contract positions and spot trading strategies. The scientific rigor of trading decision-making and the agility of market response were enhanced comprehensively. Through the systematic construction across the entire industrial chain, the Company achieved a systemic improvement in the premium pricing capability of its wind and solar projects in the market-oriented electricity trading, effectively hedging against the downward market pressure and laying a solid operational foundation for the high-quality and sustainable development of the Company.

Power Generation

The power generation (GWh) of the projects of the Group is set out as follows:

	For the year ended 31 December	
	2025	2024
PRC Wind Projects	**10,056.5**	10,095.8
PRC Solar Projects	**2,785.4**	2,121.8
PRC Cogen and Gas-Fired Projects	**193.6**	410.7
PRC Hydro Projects	**248.0**	282.8
Korea Projects	**5,720.1**	6,238.6
Total	**19,003.6**	19,149.7

In 2025, the Company was faced with a number of challenges including the deepening transformation of the energy structure, accelerated technological iteration within the industry, and the reshaping of the competitive landscape. The Company proactively responded by adopting an operation metrics-driven approach, focusing on advancing management transformation and digitalized operation and maintenance to secure stable power with all efforts. The pilot for transitioning new energy stations to unattended operation has been successful, intelligent inspection by drones has achieved full coverage of stations, and the comprehensive equipment utilization rate remains stable. Under this background, as of 31 December 2025, the electricity generated by the Group's consolidated power generation projects amounted to 19,003.6 GWh for the whole year, delivering a solid performance that remained basically flat compared to last year.

In 2025, the power generation from the PRC wind projects reached 10,056.5 GWh, representing a year-on-year decrease of 0.4%, remaining basically flat from last year.

In 2025, the power generation from the PRC solar projects reached 2,785.4 GWh, representing a year-on-year increase of 31.3%, which was mainly due to a year-on-year increase in the installed capacity of solar energy projects.

In 2025, the power generation from the PRC cogen and gas-fired projects reached 193.6 GWh, representing a year-on-year decrease of 52.9%, which was mainly due to the completion of the transfer of equity interests in the Group's cogen project in Jiangsu Province in the first half of 2025.

In 2025, the power generation from the PRC hydro projects reached 248.0 GWh, representing a year-on-year decrease of 12.3%, mainly due to the decrease in water inflow in 2025 over last year.

In 2025, the power generation from the Korea projects reached 5,720.1 GWh, mainly from gas-fired and biomass projects, representing a decrease of 8.3% compared to 2024, which was mainly due to the maintenance and decrease in the load of power grid dispatch in Korea gas-fired projects in 2025.

In 2025, the total volume of steam sold by the Group amounted to 460,000 tonnes, representing a decrease of 84.5% as compared with 2024, which was mainly due to the completion of the transfer of equity interests in the Group's cogen project in Jiangsu Province in the first half of 2025.

The following table sets out the average utilization hour applicable to our projects for the Group:

Average utilization hour by fuel type[(1)]

	For the year ended 31 December	
	2025	2024
PRC Wind Projects[(2)]	**2,208**	2,216
PRC Solar Projects[(3)]	**1,043**	1,171
PRC Coal-fired Projects[(4)]	**4,078**	4,516
PRC Cogen Projects[(5)]	**4,312**	4,543
PRC Hydro Projects[(6)]	**3,595**	4,098
Korea Gas-fired Projects[(7)]	**3,104**	3,470

Notes:

(1) Average utilization hour is the gross electricity generated in a specified period divided by the average installed capacity in the same period.

(2) Average utilization hours for the year ended 31 December 2025 for the PRC wind projects in major regions such as Gansu Province, Henan Province and Jiangsu Province were 1,633 hours, 2,604 hours and 2,774 hours, respectively. Average utilization hours for the PRC wind projects decreased mainly due to a year-on-year increase in grid curtailment and a year-on-year decrease in wind resources in 2025.

(3) Average utilization hours for the year ended 31 December 2025 for the PRC solar projects in major regions such as Inner Mongolia Autonomous Region, Anhui Province and Jiangsu Province were 1,637 hours, 1,161 hours and 1,089 hours, respectively. Average utilization hours for the PRC solar projects decreased mainly due to a year-on-year increase in grid curtailment and a year-on-year decrease in solar resources in 2025.

(4) Average utilization hours for the PRC coal-fired projects decreased in 2025 due to the decrease in power generation because of the decrease in local demand.

(5) Average utilization hours for the PRC cogen projects decreased in 2025 mainly due to the decrease in power generation arising from the decrease in local demand.

(6) Average utilization hours for the PRC hydro projects decreased in 2025 due to the decrease in water inflows in Sichuan Province and Guangxi Zhuang Autonomous Region.

(7) The Korea gas-fired projects had lower average utilization hours in 2025 mainly due to the lower power generation of Yulchon I Power Project as a result of maintenance and decrease in the load of power grid dispatch in 2025.

The table below sets out the weighted average tariffs (inclusive of value-added tax ("**VAT**")) applicable to the projects in the PRC and Korea for the Group for the periods indicated below:

Weighted average tariff – Electricity (inclusive of VAT)[(1)]

		For the year ended 31 December	
	Unit	**2025**	2024
PRC Wind Projects[(2)]	RMB per kWh	**0.54**	0.57
PRC Solar Projects[(3)]	RMB per kWh	**0.49**	0.56
PRC Coal-fired Projects	RMB per kWh	**0.45**	0.49
PRC Cogen Projects[(4)]	RMB per kWh	**0.44**	0.45
PRC Hydro Projects	RMB per kWh	**0.24**	0.26
Korea Gas-fired Projects[(5)]	KRW per kWh	**156.04**	188.86
Weighted average tariff – steam (inclusive of VAT)			
PRC Cogen Projects[(6)]	RMB per ton	**226.76**	234.67

Notes:

(1) The weighted average tariffs are affected not only by the change in the tariff for each project but also the change in net power generation for each project.

(2) The weighted average tariff of our PRC wind projects decreased in 2025 mainly due to the keen competition in electricity bid trading.

(3) The weighted average tariff of our PRC solar projects decreased in 2025 mainly due to keen competition in electricity bid trading and lower tariffs of the newly commissioned solar projects.

(4) The weighted average tariff of our PRC cogen projects excludes steam tariff.

(5) The decrease in weighted average tariff of our Korea gas-fired projects was in line with the decrease in Korea gas price during the year.

(6) The decrease in weighted average tariff of steam in 2025 was in line with the decrease in PRC coal price.

The following table sets out the weighted average standard coal and gas prices (exclusive of VAT) applicable to the projects in the PRC and Korea for the Group for the periods indicated below:

	Unit	For the year ended 31 December	
		2025	2024
PRC weighted average standard coal price[(1)(2)]	RMB per ton	**885.44**	1,071.30
Korea weighted average gas price[(1)(3)]	KRW per Nm^3	**683.86**	883.83

Notes:

(1) The weighted average standard coal and the weighted average gas prices are determined based on the consumption of gas or coal in each applicable period.

(2) The PRC weighted average standard coal price in 2025 decreased compared to 2024 due to a decrease in market coal price.

(3) The Korea weighted average gas price in 2025 decreased compared to 2024 due to the decrease in the prices known as the Japanese Crude Cocktail, which are calculated with reference to the average prices of crude oil imported into Japan and are an important determinant of natural gas prices in Korean markets.

Scientific and Technological Innovation

The Company continues to play a leading role in technological innovation in new energy across the industrial chain, strengthen energy technology innovation capabilities, promote industrial integration and business integration through technological integration, adhere to the "value creation" orientation based on demonstration project, promote the innovation of green development mode led by new energy, strengthen the construction of digital systems operated and maintained by green power, seize the initiative in innovative development of offshore wind and solar power, and actively leverage the role of energy storage in a new power system. The Company aims to accelerate the transformation of achievements to serve the market and continues to shape new development momentum and new advantages, so as to boost high-quality development of the Company.

In the field of green power digital operation and maintenance: focusing on the direction of integration and application of digitalization and intelligent technologies with new energy green power intelligent operation and maintenance business scenarios, and with the empowerment of green power intelligent operation and maintenance application by new-generation artificial intelligence technologies such as big models as the core, this has enabled us to develop proprietary core products underpinned by a "centralized, specialized, and informatized" production and operations system. The system supports the integration of multiple business formats, multiple systems, and full-scope data across various operational domains, achieving high-frequency, real-time ingestion of massive data streams and delivering comprehensive monitoring and control over new energy power stations.

In the field of offshore wind and offshore photovoltaic: supporting the construction, operation and maintenance of large offshore bases, and leveraging the key core technologies already mastered in offshore floating wind power, deep-water conduit racks, and offshore energy islands, the Company is committed to building high-quality offshore wind power projects, and contributing to the construction of a strong national maritime power. The first large-scale pile-based fixed deepwater offshore photovoltaic project in China – the Company's Zhaoyuan 400.0 MW Offshore Photovoltaic Project in Shandong Province, was connected to the grid in full capacity. The project has created three major innovative applications in the research and development and application of photovoltaic modules, the technological design of racking units, and offshore piling, etc., which have achieved remarkable results, and have vigorously pushed forward the technological advancement of offshore photovoltaic.

In the field of energy storage: with the purpose of leveraging the role of energy storage in the new power system, the Company focuses on safety, efficiency and economy, conducts research and application demonstrations centered on technologies covering electrochemical energy storage, compressed air energy storage, liquid flow energy storage and heat storage, and promotes the high-quality development of the Company's energy storage business. The Company's Rudong 200 MW/400 MWh Shared Energy Storage Station Project in Jiangsu Province has successfully realized full-capacity grid connection, which is one of the largest shared energy storage power stations in East China and is located in the Rudong Economic Development Zone in Nantong City, Jiangsu Province, a region suitable for the development of shared energy storage due to the concentration of electricity loads and the large and stable demand for peak regulation in the electricity market. The project has enhanced grid flexibility and effectively improved renewable energy integration capacity, providing robust support for energy supply and grid stability in Jiangsu Province.

Social Responsibility

Since 2025, alongside efforts in developing our principal business, the Company has carried out public welfare projects with a high standing and has effectively fulfilled its social responsibility as a central state-owned enterprise through activities such as repairing village roads, establishing emergency community assistance points, and visiting and supporting local families in extreme hardship.

In January 2025, the Company's Tianze Photovoltaic Power Station in the Inner Mongolia Autonomous Region launched the "Winter Assistance" volunteer initiative. The Company arranged all employees to make voluntary donations to purchase essential supplies such as rice, flour, and cooking oil, which were distributed during visits to local households in extreme hardship. This initiative not only alleviated the living difficulties faced by vulnerable groups but also encouraged neighbouring enterprises and communities to engage in public welfare through practical action, fostering a positive atmosphere for local poverty alleviation and support.

In May 2025, the Company's Chifeng New Golden Energy Photovoltaic Power Station in the Inner Mongolia Autonomous Region invited nearby villagers to participate in a training session on the use of Automated External Defibrillators (AED). Instructions for operating the devices were also displayed onsite, and residents were informed that the AED are available for shared community use in case of emergency.

In August 2025, the Company's Wenchang Wengtian Farming-Fishing-Photovoltaic Power Complementary Project in Hainan Province made donations to the Wengtian Town Education Association and the Changsa Town Education Charity Association. The contributions were designated to reward students from Wengtian and Changsa towns who achieved outstanding results in the 2025 National College Entrance Examination, aiming to encourage more young learners to pursue excellence and strive for higher goals, thereby further igniting their academic enthusiasm.

In August 2025, the Company's Wenchang Liyang Fishing-Photovoltaic Power Complementary Project in Hainan Province made a donation to the Wenjiao Town Education Charity Association. The contribution was designated to support students from economically disadvantaged families who took the 2025 National College Entrance Examination, building a bridge of hope for their educational journey through care and responsibility.

In September 2025, the Company's Dachaidan Solar Project (Xitieshan Phase I, II and III) in Qinghai Province made a donation to the People's Government of Jianzhatan Township. The contribution will support rural revitalisation, road construction or improvement, and the procurement of teaching equipment for schools in Jianzhatan Township.

In October 2025, the Company's Longnan Yangcun Wind Farm in Jiangxi Province restored a 2.3-kilometre access road. This improvement has provided significant convenience for vehicles transporting goods from nearby villagers' orchards and livestock farms, thereby supporting local economic development.

In October 2025, a village located near the Company's Datong Majialiang Wind Farm in Shanxi Province experienced a bumper harvest of daylily crops. To help address oversupply and market stagnation, the wind farm proactively took on a supportive role by facilitating the purchase and distribution of the surplus produce. This initiative effectively resolved local crop marketing challenges and contributed to increasing farmers' income.

In October 2025, the Company's Ninghai Yishi Wind Farm in Zhejiang Province proactively implemented community-focused initiatives by carrying out specialised repairs on damaged road surfaces in a neighbouring village. The project was undertaken to enhance rural accessibility, eliminate safety hazards for pedestrians and vehicles, and facilitate the daily travel of local residents.

In December 2025, the Company's Qilinfeng Wind Farm in Hengfeng County, Jiangxi Province made a donation to support educational initiatives through the Xinhuang Sub-district Office in Hengfeng County. The contribution was allocated to provide financial assistance to students in need during the 2025 academic year and to fund school maintenance, encouraging disadvantaged students to pursue their studies with determination and resilience.

In December 2025, the Company's Shengsi #5#6 Offshore Wind Power Project in Zhejiang Province made a donation to the Shengsi Charity Federation. The contribution was used to support local initiatives including medical aid, educational assistance, hardship relief, public welfare activities, and other community benefit programmes.

Brand Promotion: Recognitions and Awards

Over the years, the Company has consistently prioritized investor relations and environmental, social, and governance (ESG) initiatives as key strategic priorities. Regarding investor relations management, we have established long-term, stable, and mutually trusting relationships with investors by continuously deepening information disclosure through diversified communication channels and strengthening exchanges and cooperation in specialized fields. In the field of ESG governance, the Company remains committed to the development of clean energy, upholding the principle of prioritizing environmental protection, and integrating sustainable development concepts throughout all operational processes. By continuously optimizing environmental management systems and increasing investment in technological innovation, we are enhancing ESG governance effectiveness and contributing to the realization of the "Dual Carbon" goals of the state.

In March 2025, the Company was honored with the "Diverse Green Energy Co-Benefit Leadership Award" at the 2025 "ESG Awards for Excellence," jointly organized by the Organizing Committee of China Business Top 100 Forum, Warton Economic Institute, China Urban Development Foundation, Macao Green & Low Carbon Industry Association. This recognition was granted for the Company's outstanding achievements and significant contributions in environmental, social and governance aspects.

In June 2025, the Company won six awards at the 11th Investor Relations Awards from the Hong Kong Investor Relations Association (HKIRA), including the "Best Investor Relations Company", "Best ESG (Environmental)", "Best ESG (Social)", "Best Investor Presentation Material", "Best Annual Report" and "Best Investor Relations Team", for its outstanding ESG, information disclosure and investor relations management performance.

Adhering to the work style of "Stringency, Prudence, Meticulosity and Pragmatism", the Company strengthens the business management for sites and stations, the analysis of equipment operation, and the capability development of employees, delves into the field of clean energy popularization, injecting technological vitality into the Company's high-quality development.

In April 2025, the Company's Beiba Wind Power Project in Gansu Province was honored with three advancement-level achievements for three research projects in the "2025 China Quality Innovation and Quality Improvement Achievements Presentation and Exchange Series" programme organized by the China Quality (《中國質量》) magazine press. In November of the same year, the project was also recognized as an "Innovative Team" by the China Association of Plant Engineering.

In April 2025, the Company's Jiuquan Microgrid Photovoltaic Project in Gansu Province received the first prize of the "Gansu Provincial Science and Technology Progress Award" by the People's Government of Gansu Province.

In May 2025, the Company won the following awards in the fault-free farm selection activities organized by the China Electricity Technology Market Association: (1) Zhongxiang Chaoyangshan Wind Farm in Hubei Province was awarded the "2024 Annual Fault-Free Wind Farm Management Achievement", setting up a benchmark for fault-free wind farms; (2) Haiyan Decentralized Wind Power Project in Qinghai Province was awarded the "2024 Outstanding Achievement in Fault-Free Wind Farm Management" and "2024 200-Day Fault-Free Wind Farm Management Achievement"; (3) Haiyan Centralized Wind Power Project in Haibei Prefecture, Qinghai Province and Datong Majialiang Wind Power Project in Shanxi Province were both awarded the "2024 Outstanding Achievement in Fault-Free Wind Farm Management" and "2024 100-Day Fault-Free Wind Farm Management Achievement"; (4) Shengsi 5#6# Offshore Wind Power Project in Zhejiang Province was awarded the "2024 Advanced Achievement in Fault-Free Wind Farm Management". In July of the same year, Zaoyang Agricultural Photovoltaic Complementary Project in Hubei Province was awarded the "2024 Outstanding Achievement in Fault-Free Photovoltaic Power Station Management" and "2024 100-Day Fault-Free Photovoltaic Power Station Management Achievement", setting up a benchmark for fault-free photovoltaic power stations.

In June 2025, the Company's Zhaoyuan Offshore Photovoltaic Project in Shandong Province was recognized with one first prize in the "2025 Digital Quality Innovation Achievements Exchange for the Water Resources and Hydropower Industry" and two first prizes in the "2025 Water Resources Quality Management Team Exchange", both awarded by the China Association for Water and Electricity Quality Management (中國水利電力質量管理協會).

In June 2025, the Company's Zhangbei Xinsheng Wind Farm in Hebei Province actively participated in the safety month related activities organized by the local government authorities, fully implemented the responsibility for work safety, solidly promoted the investigation and management of hidden dangers, and made remarkable efforts in the construction of a safety culture, and was awarded the title of "Advanced Collective in Work Safety Month" by the Emergency Management Bureau of Zhangjiakou City.

In July 2025, the China Electricity Council (中國電力企業聯合會) announced that the Company's Haiyan Decentralized Wind Power Project in Qinghai Province was awarded the honor of "5A-level Unit in the Benchmarking of Production and Operation Statistical Indicators for National Wind Farms in China"; Longnan Yangcun Wind Power Project in Jiangxi Province, Baoying Xianfeng Wind Power Project in Jiangsu Province, and Haiyan Centralized Wind Power Project in Haibei Prefecture, Qinghai Province, each received the honor of "4A-level Unit in the Benchmarking of Production and Operation Statistical Indicators for National Wind Farms in China".

In August 2025, the Company's Xiangshan Operation and Maintenance Station in Zhejiang Province was awarded the title of "Energy Popular Science Base" by China Energy Research Society (中國能源研究會), and has conducted numerous energy science popularization activities for relevant enterprises, government departments and schools, demonstrating the industry's high recognition of the Company's science popularization work.

In August 2025, the Company's Chenzhou Qijia Jiangbeishan Wind Farm in Hunan Province won the first prize at the "46th Exchange Conference on Quality Management Team Activities and Achievements in Building Trustworthy Quality Teams" hosted by Hunan Quality Association; in December of the same year, this project won the first prize in the "Quality Management Team Performance Evaluation" by the China Association for Quality (中國質量協會).

In August 2025, China Electricity Technology Market Association (中國電力技術市場協會組織) announced the results of its "2025 Wind Power Operation and Maintenance Quality Management Group Activities". The Company's Rudong H8# Offshore Wind Power Project in Jiangsu Province won the first prize achievement.

In October 2025, the results of the "47th National Quality Management Team Representatives Conference and the National Experience Exchange Conference on Building Trustworthy Quality Teams" organized by the China Association for Quality were announced. The Company's Lianshui Tangji Wind Power Project in Jiangsu Province and Huaiyin Liulaozhuang Wind Farm in Jiangsu Province received the honor of 5A-level in "Construction Level Evaluation" and the first prize in the "Quality Management Team Performance Evaluation", respectively.

In November 2025, Qinghai Provincial Committee of the Communist Youth League of China announced the results, the Company's Haorun Wind Power Project in Qinghai Province won the Silver Award of the "Green Electricity Cup" Youth Innovation and Creativity Competition of the Energy Industry in Qinghai Province.

IV. Risk Factors and Management

Risks Relating to the Industry

Our power projects are located in the PRC and Korea, both of which have undergone, and may continue to undergo, regulatory changes. Governmental regulations affect all aspects of our power project operations, including the amount and timing of electricity generation, the setting of tariffs, compliance with power grid controls, dispatch directives and environmental protection. Regulatory changes in the PRC and Korea may affect, among other things, dispatch policies, clean and renewable energy and environmental compliance policies and tariffs, and may result in a change of tariff setting procedures or mandatory installation of costly equipment and technologies to reduce environmental pollutants.

In addition, the solar power projects are highly dependent on solar illumination conditions, and the wind power projects are dependent particularly on wind conditions. Extreme wind or weather conditions could lead to downtime of the wind power projects. Solar illumination conditions and wind conditions vary across seasons and locations, and could be unpredictable and are out of our control.

Risk Relating to Fuel Cost

The non-renewable energy power projects of the Group require supplies of coal, oil and gas as fuel. Fuel costs represent a significant portion of our operating expenses and the operating expenses of our associates. The extent to which our profit is ultimately affected by the cost of fuel depends on our ability to pass through fuel costs to our customers as set out under the relevant regulatory guidelines and the terms of our power purchase agreement (PPA) for a particular project, as we currently do not take any measures to hedge our exposure to fuel price fluctuations. Our fuel costs are also affected by the volume of electricity generated because the coal consumption rate of coal-fired power projects decreases when we generate more electricity as a result of economies of scale. In the PRC, government tariff regulations limit our ability to pass through changes in fuel costs. In Korea, our Yulchon I Power Project transfers fuel price fluctuation risks through fuel cost pass-through provisions in the 20-year PPA entered into with the power utility, effective until June 2025. Our Yulchon I Power Project in Korea has completed its life extension retrofit. Starting from July 2025, the Yulchon I Power Project has transitioned to the same business model as the Yulchon II Power Project and Daesan I Power Project, receiving payments based on the system marginal price (SMP), which is influenced by gas price and the efficiency of marginal power plant in the power market. Therefore, under economic dispatch order, the SMP typically covers fuel costs. Additionally, due to system constraints, the SMP can partially offset fuel costs when mandatory dispatch order is issued to high cost, low efficiency power plants. Korea implements a Renewable Portfolio Standard (RPS) quota mechanism, which helps renewable energy plants cover additional power generation costs, including fixed cost such as investment and operations and maintenance. Therefore, the biomass power plant, as a renewable energy facility, can respond to changes in fuel costs through revenue from SMP and sales of Renewable Energy Certificate (REC). Our diversified generation portfolio enables us to diversify the risks that we would face to utilize a single resource for electricity generation. In particular, our exposure to several fuel types mitigates risks such as price increases in or the availability of any particular fuel source.

Interest Rate Risk

We are exposed to interest rate risk resulting from fluctuations in interest rates on our debt with floating interest rates based on market prevailing rates. We undertake debt obligations to support asset acquisition and general corporate purposes including capital expenditures and working capital needs. Certain amount of our indebtedness is calculated in accordance with floating interest rate or interest rate that are subject to adjustment by our lenders. We periodically review the ratio of debt with floating interest rates to debt with fixed rates, taking into account the potential impact on our profit, interest coverage and cash flows.

Foreign Exchange Risk

The functional currency of the Company is US dollars, and our reportable profit is affected by fluctuations in foreign currency exchange rates. We collect most of our revenue from our projects in RMB and KRW, some of which are converted into foreign currencies to (1) purchase foreign-made equipment and parts for repair and maintenance; (2) make investments in certain joint ventures or acquire interests from other companies; (3) pay out dividends to our shareholders; and (4) repay our outstanding debt. By managing and monitoring the risks of foreign currency, we ensure that appropriate measures are adopted effectively in a timely manner.

V. Prospects

2026 marks the commencement of the "15th Five-Year Plan" period and represents a pivotal year for the high-quality transformation and upgrading of the new energy sector. The tasks for the year ahead are arduous and of profound significance. The overarching requirements are: under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implementing the spirits of the 20th National Congress of the Communist Party of China, all plenary sessions of the 20th Central Committee and the Central Economic Work Conference; putting in place the arrangements made at the Central Enterprises Responsible Persons Conference and the National Energy Work Conference; adhering to the general principle of pursuing progress while ensuring stability and enhancing quality and efficiency; thoroughly implementing the "Stringency, Prudence, Meticulosity and Pragmatism" style of work; continuously deepening reform and innovation; fully focusing on lean empowerment, and accelerating our advancement towards a new stage of excellence-driven development, so as to ensure a strong start and solid foundation for the "15th Five-Year Plan".

1. Uphold Compliance Bottom Line to Safeguard Sound Development

Continue to advance the development of safety standardization, strengthen the investigation and remediation of potential hazards, implement closed-loop management of safety risks, and achieve "zero occurrence" in major safety risks; strictly abide by national energy policies, environmental protection regulations and the regulatory requirements for listed companies, strengthen the ESG whole-process management, and ensure compliant operation and sustainability.

2. Focus on Wind and Solar Core Businesses to Fortify Development Foundation

Adhere to wind power and solar power as the two core investment businesses, leverage the advantages of the Non-Competition Deed with CGN, optimize project layout and resource reserves, and fortify the development foundation of the clean energy core business.

3. Drive Technological Innovation to Enhance Core Competitiveness

Advance digital transformation and its practical empowerment, promote unattended stations, intelligent inspection and predictive operation and maintenance, realize digital management and control of the entire business process, and continuously improve station operation efficiency; extend the "New Energy +" industrial chain, expand new business forms such as direct green power supply, virtual power plants, and integrated wind-solar-storage systems, to support the society's green and low-carbon transition in an all-round way.

4. Lean Operation Management to Unlock Development Efficiency

Implement technological renovation and efficiency enhancement of existing projects as well as the "Turbine Substitution" renewal program to comprehensively enhance power generation efficiency of units; deepen lean cost control, implement lean management action plans, reduce costs throughout the whole process, to achieve continuous optimization and reduction of the cost per kWh; participate deeply in the electricity spot market, green power trading and carbon market trading, scientifically optimize power trading strategies, to comprehensively improve project operation returns.

5. Deepen Reform and Synergy to Stimulate Internal Dynamics

Continue to deepen reform, empower regional companies to improve their independent decision-making ability and rapid response to the market; steadily advance the organizational reform of the headquarter, optimize the management structure and functional allocation to enhance overall operation and control efficiency.

The "15th Five-Year" Plan outlines the goal of building a major energy powerhouse, promoting the doubling of non-fossil energy, and establishing a new power system, with the priorities given to construct wind and solar projects in desert, Gobi, and barren land, offshore wind power, and integrated hydro, wind, and solar energy bases, develop energy storage, improving new energy consumption and delivery, and ensuring that the share of non-fossil energy consumption will reach 25% by 2030. The Company will closely align with the Plan, focus on developing wind and solar projects, advance multi-energy integration and intelligent operation, enhance green power consumption and asset efficiency, support the construction of the new power system, and steadily improve its market competitiveness and profit stability.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

No important event or transaction affecting the Group which is required to be disclosed by the Company to its shareholders has taken place after 31 December 2025.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury Shares, if any) during the year ended 31 December 2025. There were no treasury Shares held by the Company as at 31 December 2025.

CORPORATE GOVERNANCE CODE

During the year ended 31 December 2025, the Company has complied with all applicable code provisions of the Corporate Governance Code, except for code provision C.2.1 of the Corporate Governance Code which states that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Since the resignation of Mr. Li Guangming as the President of the Company and an executive Director on 21 October 2025, the Board has been identifying candidate for the position of the President of the Company. In the meantime, in view of the time required for identifying and appointing a suitable candidate, the Chairman of the Board (namely Mr. Zhang Zhiwu up to 6 March 2026 and Mr. Hu Guangyao from 6 March 2026) has performed the role of the President of the Company, until a new President is appointed. Taking into account the fact that the Board makes its decisions by votes of the majority and the Board comprises six Directors, including one executive Director, two non-executive Directors and three independent non-executive Directors, the Board believes that such interim arrangement does not impair the balance of power and authority. The Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules (as the case may be).

COMPLIANCE WITH MODEL CODE

The Company has adopted its own code for securities transactions by Directors, the stipulations of which are no less exacting than those set out in the Model Code, as a code of conduct for dealing in securities of the Company by the Directors.

Specific enquiries have been made with the Directors, and all Directors confirmed in writing that they have complied with the required standards in respect of securities transactions by the Directors set out in the Model Code and the Company's Code during the year ended 31 December 2025.

REVIEW OF ANNUAL RESULTS

The Group's annual results for the year ended 31 December 2025 have been reviewed by the audit committee of the Company.

SCOPE OF WORK OF KPMG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out on this announcement have been agreed by the Group's auditor, KPMG, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KPMG on this announcement.

FINAL DIVIDEND

The Board recommended a final dividend of 1.61 US cents per Share (equivalent to 12.54 HK cents per Share). As at 31 March 2026, a total of 4,289,924,000 Shares were in issue. If the recommendation is approved by the Shareholders, the final dividend of 1.61 US cents per Share (equivalent to 12.54 HK cents per Share) will be payable on Tuesday, 23 June 2026 to registered Shareholders on Tuesday, 9 June 2026.

For the purpose of determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, 5 June 2026 to Tuesday, 9 June 2026 (both days inclusive), during which period no transfer of Shares will be registered. In order to be qualified for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 4 June 2026.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Thursday, 28 May 2026 at 10:00 a.m. A circular containing, inter alia, the information required by the Listing Rules concerning (1) re-election of retiring Directors; and (2) grant of general mandates to repurchase Shares and to issue new Shares, together with the notice of the Annual General Meeting, will be published and sent to the Shareholders in the manner as required by the Listing Rules in due course.

For the purpose of determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026 (both days inclusive), during which period no transfer of Shares will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the Annual General Meeting is Thursday, 28 May 2026. In order to be qualified for attending and voting at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 21 May 2026.

PUBLICATION OF RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.cgnne.com). The 2025 annual report of the Company containing all the information required by the applicable Listing Rules will be sent to the Shareholders and available on the above websites in due course.

"Annual General Meeting"	an annual general meeting of the Company for the year 2026 to be held on Thursday, 28 May 2026 or any adjournment thereof
"Board"	the board of Directors of the Company
"CGN"	China General Nuclear Power Corporation (中國廣核集團有限公司), a state-owned enterprise established in the PRC and the controlling shareholder of the Company
"CGN Energy International"	CGN Energy International Holdings Co., Limited (中國廣核能源國際控股有限公司), a company incorporated in Hong Kong with limited liability, an indirectly wholly owned subsidiary of CGN and the immediate shareholder of the Company
"CGN Finance"	CGN Finance Co., Ltd. (中廣核財務有限責任公司), a company established in the PRC and a non-wholly owned subsidiary of CGN
"CGN Wind Energy"	CGN Wind Power Company, Limited (中廣核風電有限公司), a company established in the PRC and a non-wholly owned subsidiary of CGN
"CGNPC Huasheng"	CGNPC Huasheng Investment Limited (中廣核華盛投資有限公司), a company established in Hong Kong and a wholly owned subsidiary of CGN
"China Clean Energy"	China Clean Energy Development Limited (中國清潔能源開發有限公司), a company established in Hong Kong and a wholly owned subsidiary of CGN
"Company" or "We"	CGN New Energy Holdings Co., Ltd., an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"Company's Code"	Code for Securities Transactions by Directors
"Corporate Governance Code"	Corporate Governance Code contained in Appendix C1 to the Listing Rules

"Daesan I Power Project"	a 507.0 MW oil-fired project in Korea
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries from time to time
"GW"	gigawatt, equal to one million kilowatts
"GWh"	gigawatt-hour, or one million kilowatt-hours. GWh is typically used as a measure for the annual energy production of large power projects
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Korea"	the Republic of Korea
"KRW"	Korean Won, the lawful currency of Korea
"kWh"	kilowatt-hour, the standard unit of energy used in the power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"MW"	megawatt, or one million watts. The installed capacity of power projects is generally expressed in terms of MW
"NDRC"	National Development and Reform Commission of the PRC
"NEA"	National Energy Administration of the PRC

"PRC" or "China"	the People's Republic of China, but for the purposes of this announcement and for geographical reference only and except when the context requires, references in this announcement to the PRC do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region of the PRC
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.0001 each in the share capital of the Company
"Shareholder(s)"	the shareholders of the Company
"State Council"	State Council of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Turbine Substitution"	for the purpose of quality improvement and efficiency enhancement of wind farms, the modification and upgrading of wind farms, including the replacement of low output single units with high output single units, the replacement of inefficient units with highly efficient units and the corresponding replacement or technological modification and upgrading of ancillary facilities like power boost substations and on-site current collectors
"TWh"	terawatt-hour, or one million megawatt-hours. TWh is typically used as a measure for the annual energy production of a region or a country
"US$" or "US dollar(s)"	United States dollars, the lawful currency of the United States of America
"Yulchon I Power Project"	a 602.8 MW gas-fired and fuel cell project in Korea
"Yulchon II Power Project"	a 946.3 MW gas-fired project in Korea

"%"	per cent

By Order of the Board
CGN New Energy Holdings Co., Ltd.
Hu Guangyao
Chairman and Executive Director

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises six Directors, namely:

Executive Director	:	*Mr. Hu Guangyao (Chairman)*
Non-executive Directors	:	*Mr. Zhao Xianwen and Ms. Mu Wenjun*
Independent Non-executive Directors	:	*Mr. Wang Minhao, Mr. Yang Xiaosheng and Mr. Leung Chi Ching Frederick*