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龍源電力集團股份有限公司

CHINA LONGYUAN POWER GROUP CORPORATION LIMITED*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00916)

Results Announcement For The Year Ended 31 December 2025

The board of directors (the “**Board**”) of China Longyuan Power Group Corporation Limited* (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025. This results announcement, containing the full text of the 2025 Annual Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of annual results.

This results announcement is published on the website of “**HKEXnews**” of the Hong Kong Stock Exchange at <http://www.hkexnews.hk> and the Company’s website at <http://www.clypg.com.cn>. Printed version of the 2025 Annual Report will be published on the website of HKEXnews and the Company’s website on or before 30 April 2026.

By order of the Board
China Longyuan Power Group Corporation Limited*
Gong Yufei
Chairman

Beijing, the PRC
31 March 2026

As at the date of this announcement, the executive directors of the Company are Mr. Gong Yufei and Mr. Wang Liqiang; the non-executive directors are Ms. Wang Xuelian, Mr. Zhang Tong, Mr. Wang Yong and Mr. Liu Jintao; and the independent non-executive directors are Mr. Michael Ngai Ming Tak, Mr. Gao Debu and Ms. Zhao Feng.

* For identification purpose only





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Chairman's Statement

Dear Shareholders:

2025 is the final year of the 14th Five-Year Plan, a year of actively responding to complex situations and solving development problems, and also a year of achieving breakthroughs in scale and improving quality and efficiency for Longyuan Power. We adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, deeply implemented the spirit of the 20th National Congress of the Communist Party of China and the plenary sessions of the 20th Central Committee, and under the strong leadership of the Board, deeply implemented the "12355" work ideas, fully promoted "sustainable growth and high-quality development", successfully completed all annual targets and tasks, and achieved a successful conclusion of the 14th Five-Year Plan, forging a solid foundation for sustainable growth through hard work and progress.

In 2025, Longyuan Power adhered to incremental optimization and achieve dual improvement in scale and quality. Key projects such as Tengger Base in Ningxia, Badain Jaran Base in Gansu, and Dongfang Offshore Wind Power in Hainan have made significant progress. The construction of overseas green energy investment and operation platforms has been rapidly promoted. We obtained a development quotas of 8.63 GW for the whole year. The new installed capacity totaled 4.85 GW, and the consolidated installed capacity totaled nearly 46 GW, fully demonstrated our professional capabilities.

In 2025, Longyuan Power adhered to the improvement of existing capacity and achieved new breakthroughs in value creation. Relying on the self-developed "Qingyuan" large model to promote lean operation and maintenance. The new energy power generation reached 76,469 Gwh, representing an increase of 11.82% year-on-year. Through a combination of debt optimization, budget reduction and other measures, we have increased efficiency and reduced expenses, achieving a total profit of RMB5.618 billion. The first three-year dividend plan and mid-term dividend have won wide market recognition. The private issuance of A-shares has been approved by the State-owned Assets Supervision and Administration Commission and accepted by the Shenzhen Stock Exchange. The information disclosure of the Company has received the highest rating, effectively demonstrating the effectiveness of our corporate governance.

Chairman's Statement

2026 is the starting year of the 15th Five-Year Plan and a crucial year for Longyuan Power to comprehensively build a world-class international new energy leading enterprise. Standing at a new starting point in history, Longyuan Power will firmly shoulder the responsibility of being the main force for new energy under the CHN Energy, take “three stabilizations, four upgrades, and five leaderships” as the principal line of work, optimize the implementation of the “12355” work ideas, deepen the two high-quality development paths of effective quality improvement and reasonable quantity growth, vigorously promote the excellent qualities of “loyalty and responsibility, taking initiative, scientific rigor, unity and friendship, and practical action”, continue to build and strengthen the “five world-class platforms”, complete various target tasks during the “15th Five Year Plan” period with high quality, strive to achieve sustainable growth and high-quality development, and make new and greater contributions to the construction of an energy power.

Chairman **Gong Yufei**



President's Statement

Dear Shareholders,

In 2025, the power market reform was comprehensively deepened. Faced with profound changes in the external environment and the arduous task of reform and development, under the strong leadership of the Board, the management team of the Group led all employees to deeply implement the spirit of the annual work conference, deepened the “12355” work ideas, and achieved significant results in various aspects.

Emphasize both quality and scale in development. We continuously optimized the development structure and layout, newly added 8.63 GW of development quotas, with new installed capacity totaling 4.85 GW throughout the year. Key projects have made orderly breakthroughs as the following: the Gansu Badain Jaran photovoltaic project has completed filing, and the Jiangsu offshore project has obtained the offshore wind development rights. We accelerated the construction of overseas platforms such as, obtained the pre-qualification for the 2.20GW wind power project in the Kingdom of Saudi Arabia, and entered into a memorandum of understanding on cooperation with Eskom in South Africa. Key projects were efficiently implemented such as: the Zhongwei Phase II photovoltaic project in Ningxia was put into operation with full capacity, the Zhongwei and Haiyuan wind power projects were under comprehensive construction; the Mengdong desertification prevention and control project completed on-grid power generation for the first batch; and the Hainan Dongfang wind power project has successfully completed the lifting of the offshore booster station.

Operating efficiency was improved under pressure. We actively responded to the policy impact of “Document No. 136”, implemented the “Five in One” marketing system, continuously optimized trading strategies, and established the trading assistance decision-making systems in seven provinces, all which steady improved our market competitiveness. The reform of operation and inspection continued to be deepened, with the establishment of 42 regional maintenance centers and 166 specialized teams. Ten research and development teams were positioned to promote equipment management in four approaches, achieving “zero fire” and “zero tower collapse” incidents of the units. The new energy generation has increased by 11.82% year on year. We deepened the cost leadership strategy and comprehensively reduced expenditures. The net profit for the whole year was RMB5.618 billion; earnings per share were RMB55.48 cents, and the total assets at the end of the year reached RMB265.077 billion.

President's Statement

Technology empowered our innovation breakthroughs. We deepened the “1234” scientific and technological work path, orderly tackled key projects. We applied for 184 new patents and published a total of 134 national and industry standards this year. We achieved breakthroughs from zero in international standard projects, added 7 international leading achievements, and won 14 provincial, ministerial, and industry science and technology awards, which continuously consolidating the leading position in new energy technology. We led the research and development of the “Qingyuan” new energy large-scale model, with outstanding pilot application results in 24 regions. The “Qianyuan” intelligent agent has launched three core functions, and the information disclosure and investor relationship intelligent system is fully operational. We undertook the construction of the CHN Energy's new energy data sub center, gathering 86 GW of wind and solar data, and obtained authoritative dual certification in data management. The “Wind Power Equipment Diagnosis and Safety Prevention and Control Dataset” was selected as a model case by the National Data Administration.

Continuous improvement of corporate governance. The three-year action plan for deepening and improving reform has come to a high-quality conclusion, with 141 tasks successfully completed and one achievement awarded the second prize for National Enterprise Management Modernization Innovation Achievements. We improved the “three comparisons and three reviews” benchmarking system and “3343” framework, with leading position among comparable enterprises in indicators such as wind power comprehensive electricity price, profit per kilowatt and profit per kilowatt-hour. We solidly promoted the construction of the “four basics”, optimized 112 departmental responsibilities, established, amended and abolished 92 systems, streamlined approval processes by 33%, and gathered core data of 12.8TB. We made significant achievements in brand building. We were one of the top 20 “enterprise brands” by the State-owned Assets Supervision and Administration Commission, and our sustainable development case of the “Guoneng Gong Xiang Hao” was released at the United Nations Climate Change Conference.

The excellent results achieved in 2025 cannot be separated from the hard work, dedication, and responsibility of our employees, nor can we do without the long-term care and support of society and investors. On behalf of the management team of the Group, I would like to express our sincere gratitude and high respect to all of you!

President's Statement

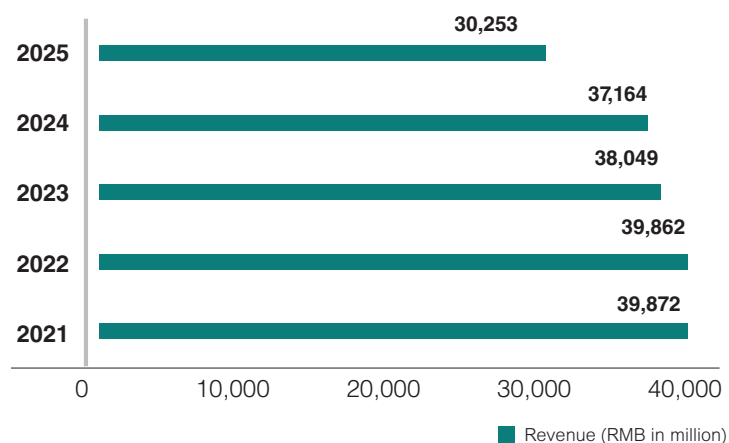
The year 2026 is the starting year of the “15th Five-Year Plan”. The Group will take “three stabilizations, four upgrades, and five leaderships” as the main line of work, deeply optimize the implementation of the “12355” work ideas, make every effort to stabilize operations, seek innovation, optimize investment, strengthen management, and ensure safety, strengthen confidence, forge ahead, accelerate the construction of a world-class international new energy leading enterprise, and repay the trust and support of investors with even better performance!

Executive Director, President **Wang Liqiang**

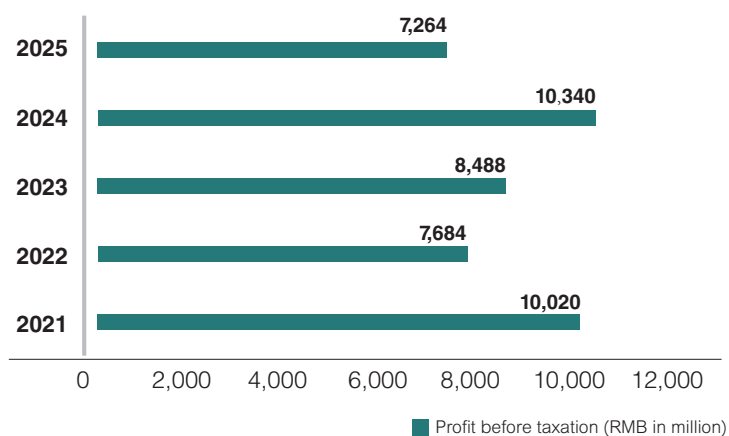


KEY OPERATING AND FINANCIAL DATA

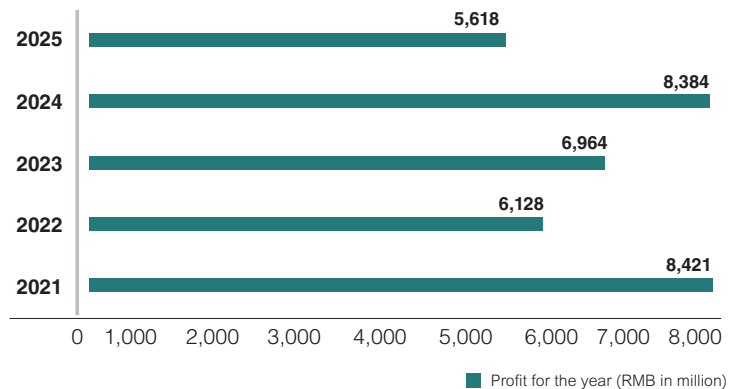
1. Revenue



2. Profit before taxation

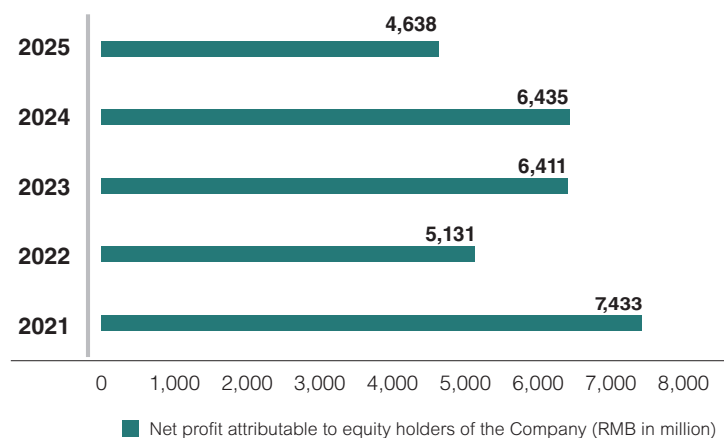


3. Profit for the year

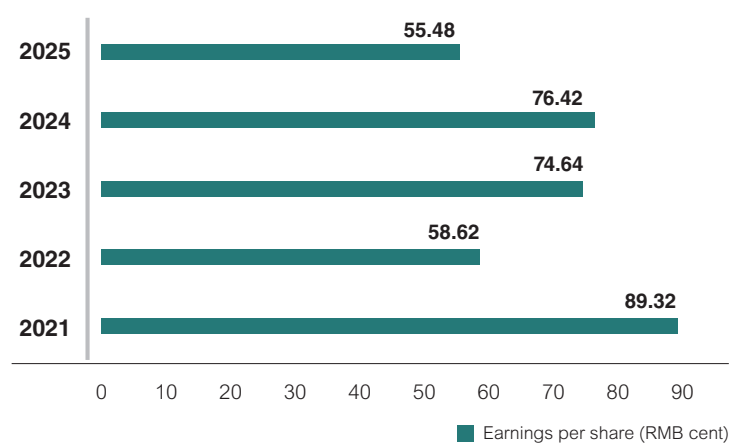


KEY OPERATING AND FINANCIAL DATA

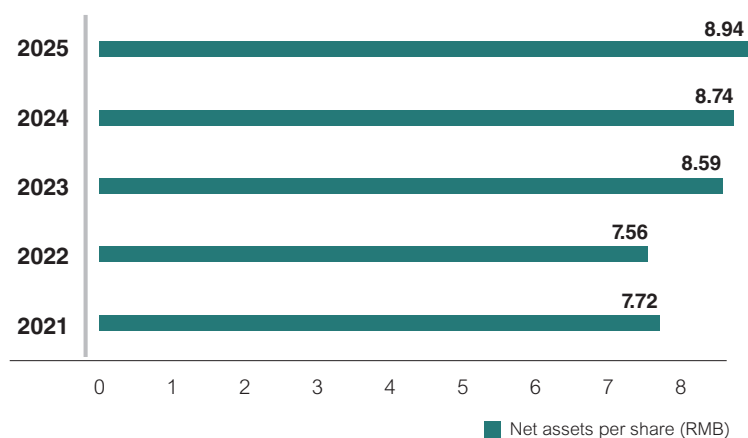
4. Net profit attributable to equity holders of the Company



5. Earnings per share

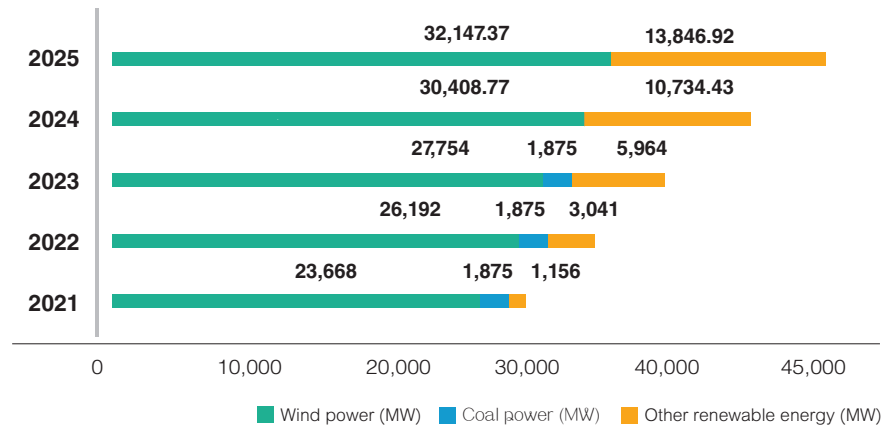


6. Net assets per share

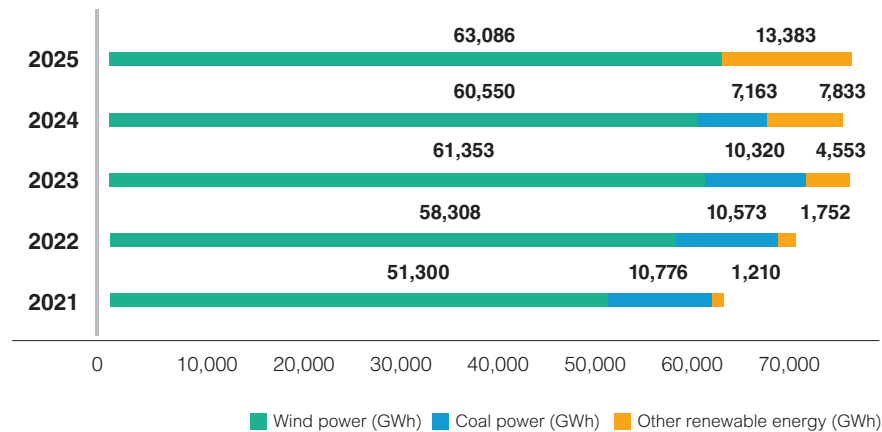


KEY OPERATING AND FINANCIAL DATA

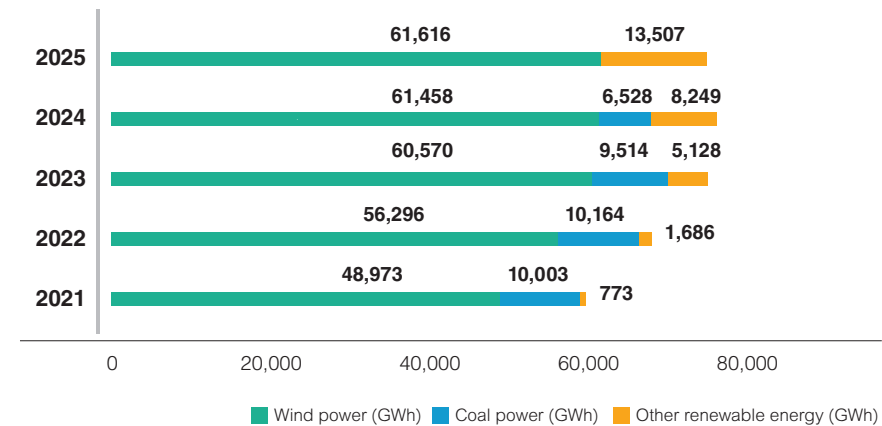
7. Consolidated installed capacity



8. Electricity output

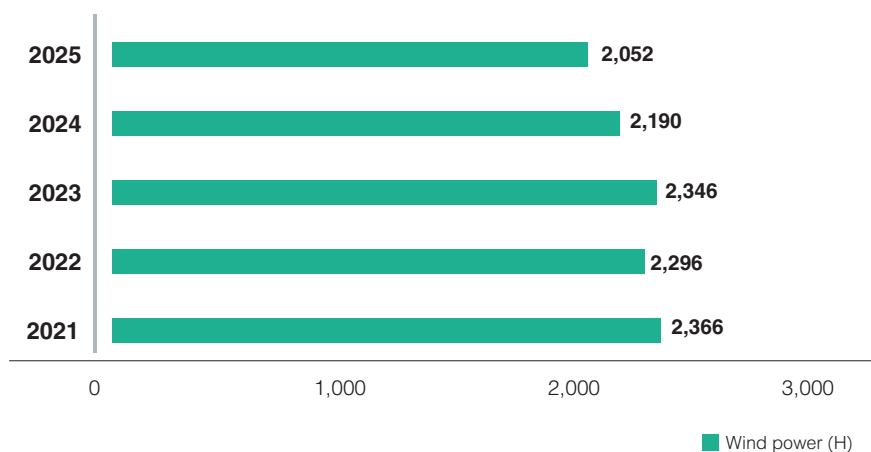


9. Electricity sales

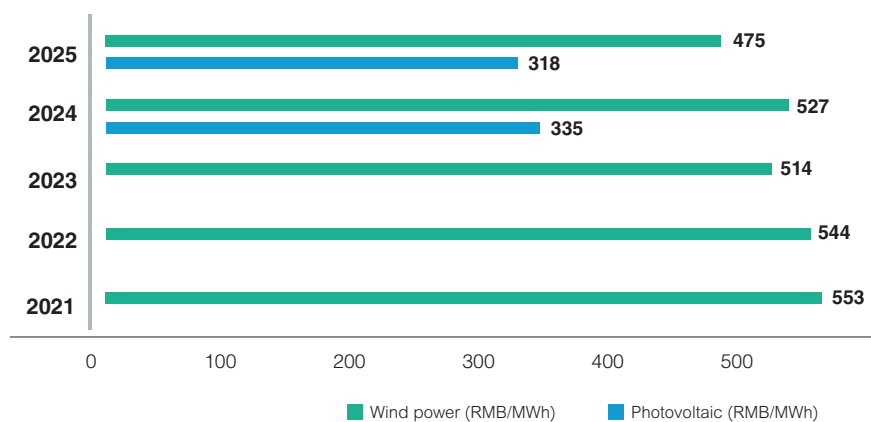


KEY OPERATING AND FINANCIAL DATA

10. Utilisation hours



11. Tariffs (including VAT)



KEY OPERATING AND FINANCIAL DATA

	2021 <i>RMB'000</i>	2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Revenue	39,871,937	39,861,647	38,049,007	37,164,184	30,252,713
Profit before taxation	10,019,791	7,683,712	8,488,143	10,340,396	7,264,063
Income tax	(1,598,839)	(1,555,542)	(1,523,973)	(1,956,022)	(1,645,655)
Profit for the year	8,420,952	6,128,170	6,964,170	8,384,374	5,618,408
Attributable to:					
Equity holders of the Company	7,432,663	5,130,763	6,410,655	6,434,743	4,637,935
Non-controlling interests	988,289	997,407	553,515	1,949,631	980,473
Total comprehensive income for the year	8,452,586	6,096,487	6,986,774	8,438,561	5,590,593
Attributable to:					
Equity holders of the Company	7,459,601	5,090,667	6,423,128	6,488,930	4,610,120
Non-controlling interests	992,985	1,005,820	563,646	1,949,631	980,473
Basic and diluted earnings per share (<i>RMB cent</i>)	89.32	58.62	74.64	76.42	55.48

KEY OPERATING AND FINANCIAL DATA

	2021 <i>RMB'000</i>	2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2025 <i>RMB'000</i>
Total non-current assets	165,971,744	170,706,566	192,849,985	207,517,301	215,115,150
Total current assets	39,723,694	52,904,789	45,412,544	50,412,464	49,961,778
Total assets	205,695,438	223,611,355	238,262,529	257,929,765	265,076,928
Total current liabilities	62,239,403	74,279,570	72,763,230	79,169,646	79,802,188
Total non-current liabilities	65,431,856	69,536,675	81,055,154	92,736,379	96,852,968
Total liabilities	127,671,259	143,816,245	153,818,384	171,906,025	176,655,156
Net assets	78,024,179	79,795,110	84,444,145	86,023,740	88,421,772
Total equity attributable to the equity holders of the Company	68,088,055	68,446,593	71,946,949	73,038,899	74,697,354
Non-controlling interests	9,936,124	11,348,517	12,497,196	12,984,841	13,724,418
Total equity	78,024,179	79,795,110	84,444,145	86,023,740	88,421,772
Net assets per share (RMB)	7.72	7.56	8.59	8.74	8.94

CORPORATE PROFILE

Founded in 1993, Longyuan Power is the earliest specialized company in China to develop wind power. It was successfully listed on the Main Board of the Hong Kong Stock Exchange in 2009, which made it known as the “First Listed New Energy Company in the PRC”. It was officially listed on the A share market in 2022 and became the first domestic central government-owned new energy power generation company which is listed on both H-share and A-share markets, the first among the five major power generation groups which are listed on the A-share capital market as new energy enterprise, and the first company which simultaneously implemented absorption and merger through share swap, asset sales and asset purchase projects to create an A+H listing platform. Over the years, Longyuan Power took the lead in exploring wind power fields such as offshore, low wind speed, high altitude and integrated exploration of deep and open sea in China, firstly realizing the “global” of wind power in China. The business is distributed in 32 provinces, regions, and municipalities in China, as well as countries such as Canada, South Africa, and Ukraine. It made positive contributions to the global green and low-carbon development of energy and the utilization of renewable energy.

Currently, Longyuan Power has become a large-scale power generation conglomerate focusing on the development and operation of new energy. It possesses wind power, solar power, tidal and other generation projects, which has established eleven technical support systems covering the entire new energy lifecycle. This system encompasses preliminary consulting, site design, predictive maintenance, technical supervision, power forecasting, data analysis, modeling and simulation, shared energy storage, green power trading, carbon asset management, and skills training. The Company has successively won honors such as the National May Day Labor Award, the China Securities Golden Bauhinia Award for the Most Valuable Listed Company, and the Best Listed Company. It has been named one of the Global Top 500 New Energy Enterprises for 14 consecutive years.

Longyuan Power adheres to the guidance of the new energy security strategy of “Four Revolutions and One Cooperation”, and has always taken “developing clean energy and building a beautiful China” as our mission all the time, being committed itself to building a world-class international new energy company with global competitiveness, and contributing to the realization of the national goal of “carbon peak and carbon neutrality”.

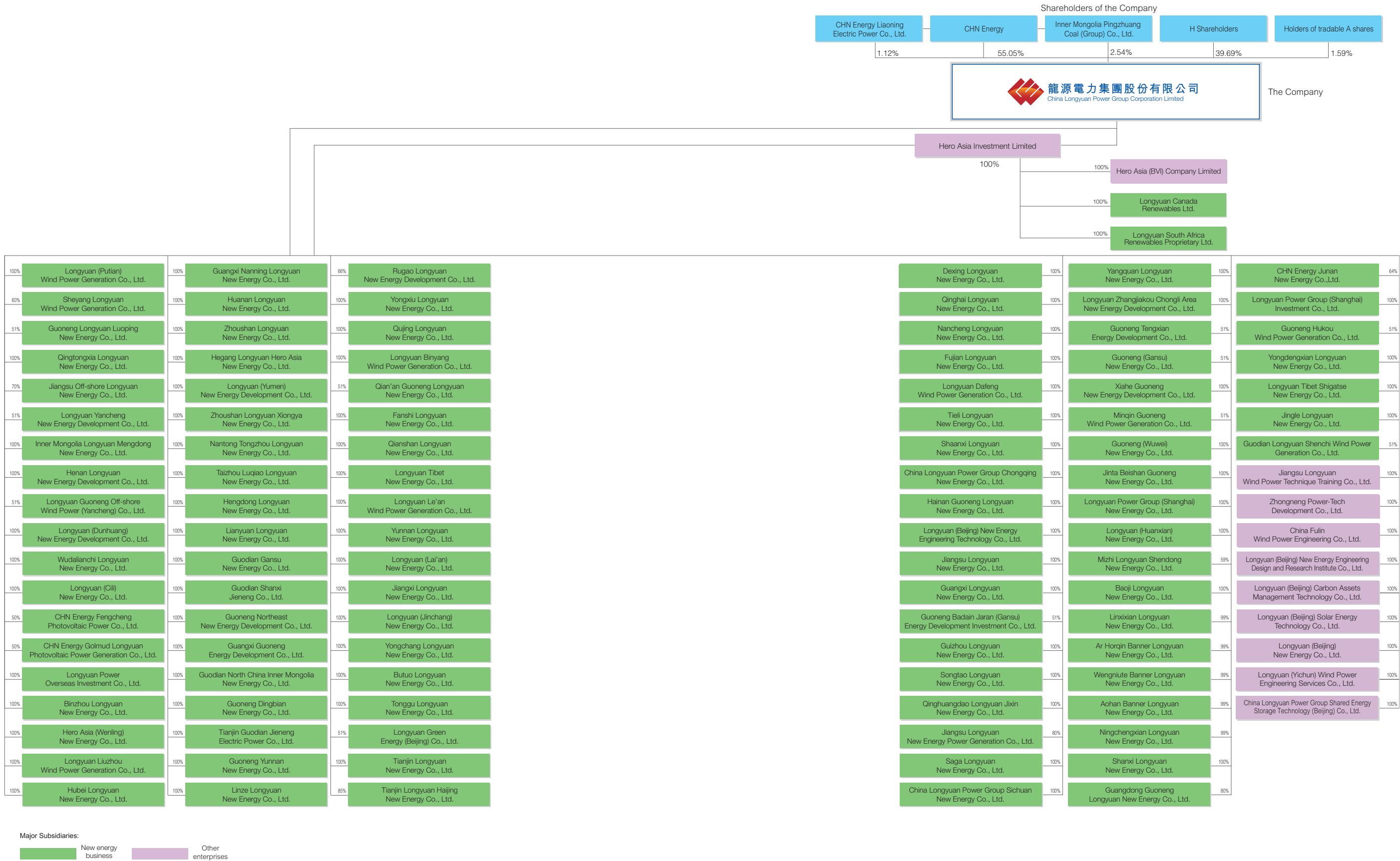
CORPORATE PROFILE

CORPORATE PROFILE



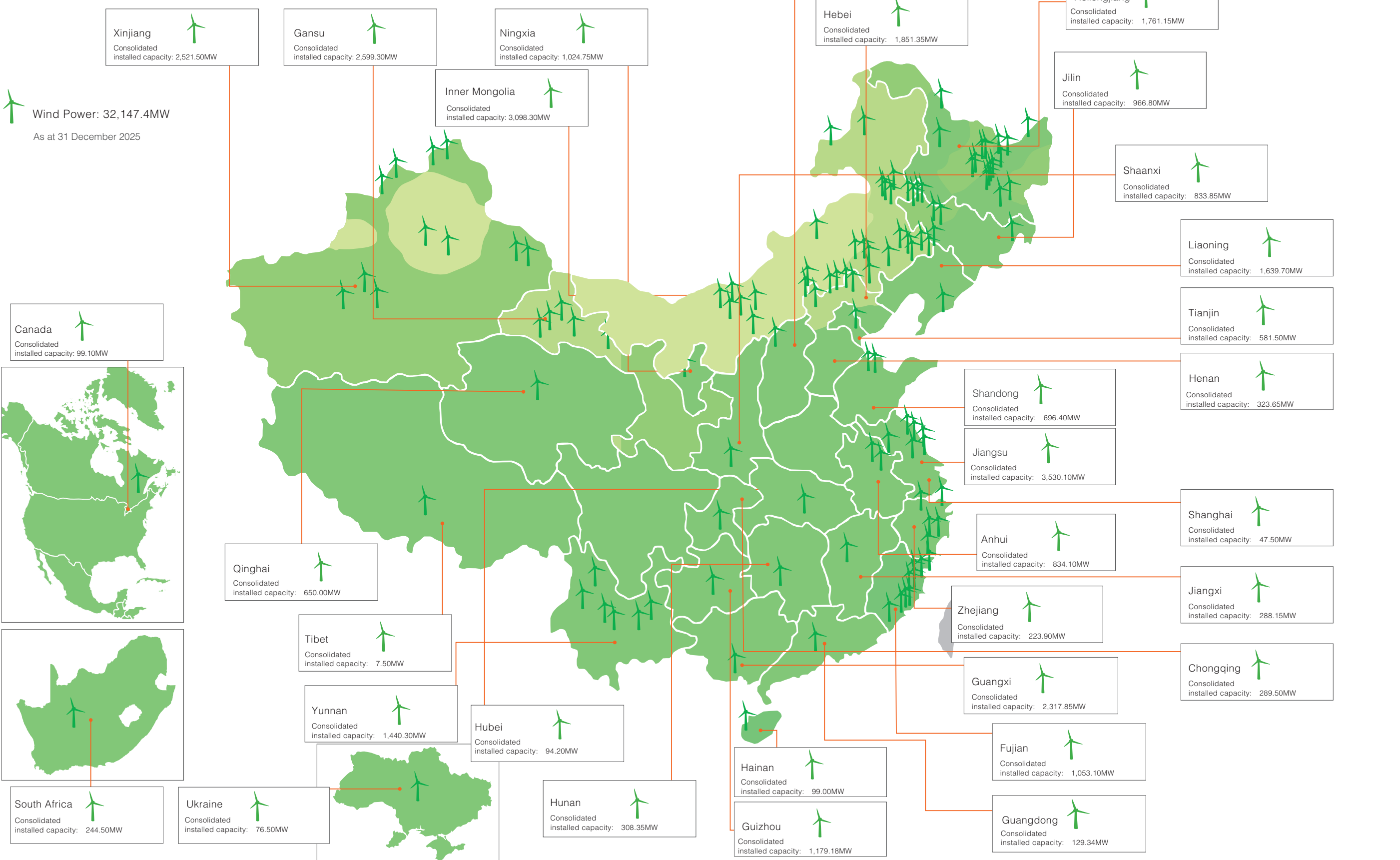
CORPORATE PROFILE

CORPORATE PROFILE



CORPORATE PROFILE

GEOGRAPHICAL BREAKDOWN OF OUR WIND POWER PROJECTS



HONOURS AND AWARDS

On 10 May, the theme conference of the “510 China Brand Day Energy Industry Brand Promotion Week & Energy Industry Brand Building Annual Conference (2025)”, co-hosted by the China Energy Research Society and China Industry News, was held in Beijing. Longyuan Power’s Hailing Island “replacing small-capacity units with large-capacity units” wind power project in Yangjiang, Guangdong, was honored with the “Green Energy Star” award for Innovative and Application Demonstration Projects in Frontier New Energy Technologies, recognizing its multi-dimensional integrated development model.



On 16 May, the 2025 Fortune China ESG Impact List was officially released, and Longyuan Power once again ranked on the list with its outstanding performance and industry leadership in environmental, social, and corporate governance (ESG).



HONOURS AND AWARDS

On 30 May, the China Electric Power Planning and Design Association announced the award-winning projects for excellent survey, engineering design, standard design, and computer software in the power industry in 2024. The Longyuan Power Tianjin Haijing Salt-Solar Hybrid Project, designed by Longyuan (Beijing) New Energy Engineering Design and Research Institute Co., Ltd., won the Outstanding New Energy Engineering Design Award.



On 28 June, CHN Energy unveiled “Qingyuan”, the world’s first 100-billion-parameter large model specifically designed for the power generation industry. Longyuan Power spearheaded the research and development (R&D) of the model’s new energy segment. The Company remained focus on key fields and core industrial requirements, deepening the integrated empowerment of “AI + Data.”



HONOURS AND AWARDS

On 30 June, the China Enterprise Confederation announced the list of the “2024 National Healthy Enterprise Construction Featured Cases, Healthy Workgroups Cases, Entrepreneur and Employee Health Role Model Cases, and Excellent Organization Cases.” The case titled “Promoting Healthy Enterprise Construction to Safeguard High-Quality Corporate Development” submitted by Longyuan Power Anhui Company, was honored as a 2024 National Healthy Enterprise Construction Featured Case.



On 11 August, the China Electric Power Construction Association announced the selection results for the “2025 High-Quality Electric Power Engineering” awards. Longyuan Power’s Tianjin Binhai New Area Haijing Salts+Solar Complementary Project and Jiangsu Sheyang Shared Energy Storage Power Station Project were honored with the “2025 High-Quality Electric Power Engineering” award.



HONOURS AND AWARDS

On 4 September, in the “Golden Key Electric Power Theme Competition” jointly launched by the China Electricity Council and China Sustainability Tribune, Longyuan Power’s project, “Exploring the New Nature Economy Model, Promoting Clean and Low-Carbon Transformation – The World’s First Floating Offshore Wind-Fishery Integration Demonstration Project”, was awarded the First Prize.



On 29 October, at the 2025 High-Quality Development Forum for Listed Companies and the 27th Golden Bull Awards Ceremony for Listed Companies, Longyuan Power was honored with the “Most Investment-Worthy” Golden Bull Award.



HONOURS AND AWARDS

On 3 November, Longyuan Power was successfully selected for the State-owned Assets Supervision and Administration Commission's "Top 20 Corporate Brands", making it the only subsidiary of CHN Energy to be included. Evaluated by the China Council for Brand Development, the Company's brand value reached RMB25.594 billion, ranking 21st in the energy and chemical sector. It has entered the 2025 Top 500 China Brand Value list and maintains a leading position among central SOEs in the new energy sector.



On 27 November, Longyuan Power's achievement, "Key Technologies and Applications of Intelligent Operation and Maintenance for Wind Turbines Driven by Domestically Developed Systems," was awarded the First Prize of the "2025 China Energy Research Society Science and Technology Progress Award."



HONOURS AND AWARDS

On 30 November, the results of the 2025 (4th) State-owned Enterprise Reform Deepening Practice Achievements, organized by the China Enterprise Evaluation Association and The China Entrepreneur magazine, were officially announced. Longyuan Power's submitted case, "Reform-Driven Innovative Development of New Energy in Shagehuang (which refers to "deserts, Gobi and wastelands" in Chinese) and Deep and Open Sea Regions", was awarded the Grand Prize for "State-owned Enterprise Reform Deepening Practice Achievements" due to its outstanding innovation and demonstration value.



On 10 December, the "4th National Smart Ocean Big Data and Artificial Intelligence Application Innovation Competition (2025)" hosted by the National Marine Data and Information Service and the National Marine Science Data Center, was successfully held in Hainan. The "Guoneng Haice No. 1" Offshore New Energy Station Comprehensive Intelligent Unmanned Inspection Platform, submitted by Longyuan (Beijing) New Energy Engineering Technology Co., Ltd., won the Second Prize of the competition (ranking first in the Intelligent Equipment Group).



MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY REVIEW

(I) Operational Environment

In 2025, under the strong leadership of the Party Central Committee, China's economy forged ahead against pressures, demonstrating great resilience. Gross Domestic Product (GDP) grew by 5%, with the total economic output exceeding RMB140.0 trillion. The economy operated in a generally stable manner, making progress while maintaining stability. During the "15th Five-Year Plan" period, the national electricity consumption is expected to increase by an average of 600.0 billion kWh annually, reaching 13.5 trillion kWh by 2030. As a core driver of the energy revolution, the installed capacity targets for renewable energy such as wind power and solar power have been significantly raised. In China's new round of nationally determined contributions announced in 2025, it is clearly proposed that the total installed capacity of wind power and solar power will exceed 6 times that of 2020, striving to reach 3.6 billion kW, providing core support for the "Dual Carbon" goals. Remarkable achievements have been made in scientific and technological innovation, with global leadership in fields such as artificial intelligence and biomedicine. The construction of a modern industrial system and a unified national market has continued to advance, and the main goals of economic and social development have been successfully achieved. Despite challenges in 2026, the fundamentals of China's economy maintaining long-term positive growth remain unchanged, and the advantages in systems, markets, industries, and talents will continue to be released, laying a solid foundation for energy transition and high-quality development.

According to statistics from the National Energy Administration and China Electricity Council, the national electricity consumption in 2025 was 10,368.2 billion kWh, a year-on-year increase of 5.0%. The total national power generation in 2025 was 10,416.6 billion kWh, a year-on-year increase of 4.9%, among which wind power generation was 1,127.4 billion kWh, a year-on-year increase of 13.1%; solar power generation was 1,172.4 billion kWh, a year-on-year increase of 39.8%.

MANAGEMENT DISCUSSION AND ANALYSIS

As of the end of 2025, the national installed power generation capacity was 3.89 billion kW, a year-on-year increase of 16.1%. Among them, the installed capacity of solar power was 1.20 billion kW, a year-on-year increase of 35.4%; the installed capacity of wind power was 640 million kW, a year-on-year increase of 22.9%.

In 2025, the cumulative average utilization hours of power generation equipment of power plants with 6,000 kW and above nationwide were 3,119 hours, a decrease of 312 hours compared with the same period of the previous year; the utilization hours of grid-connected wind power were 1,979 hours, a year-on-year decrease of 148 hours; the utilization hours of grid-connected solar power were 1,088 hours, a year-on-year decrease of 113 hours.

(II) Policy Environment

1. Anchoring goals to promote energy development, focusing on integration to build a new system

In February 2025, the National Energy Administration issued the “Guiding Opinions on Energy Work in 2025”, proposing three main goals: firstly, enhance energy supply guarantee capacity, with the national total installed power generation capacity reaching over 3.6 billion kW and new renewable energy installed capacity exceeding 200 million kW; secondly, deepen green and low-carbon transformation, with the proportion of non-fossil energy power generation installed capacity rising to 60% and the consumption proportion reaching 20%, promoting the construction of “shagehuang” wind and solar power bases (which refers to “deserts, Gobi and wastelands” in Chinese), pumped storage and nuclear power construction; thirdly, improve the quality and efficiency of development, maintain a reasonable level of utilization rate of wind power and solar power, achieve more notable comprehensive benefits, such as using solar power to combat desertification, initially build a unified national power market system, and further optimize resource allocation. This policy will help guide local governments and relevant units to accelerate the planning and construction of a new energy system, and support the sustained recovery and improvement of China’s economy with high-quality energy development and high-level energy security.

MANAGEMENT DISCUSSION AND ANALYSIS

In October 2025, the National Energy Administration issued the “Guiding Opinions on Promoting the Integrated and Convergent Development of Renewable Energy”, clearly pointing out the need to improve the level of complementary development of multiple types of renewable energy, optimize the power structure and energy storage configuration ratio of “shagehuang” renewable energy bases, construct adjustable power sources such as solar thermal power generation according to local conditions, reasonably control the demand for new coal-fired power installed capacity in bases, actively promote the integrated development of hydro, wind, and solar energy in major river basins, promote the complementary development of centralized renewable energy projects with wind, solar, gas and energy storage in provinces, and explore the construction of 100% renewable energy bases. It encourages the integrated dispatch of renewable energy and supporting energy storage, explores the substantive joint operation of renewable energy with other power sources under certain conditions, enhances market competitiveness, promotes the transformation of renewable energy power generation enterprises towards system-friendly, market-coordinated, and green integration, and strengthens competitiveness, revenue stability and sustainable development capabilities.

In December 2025, the 2026 National Energy Work Conference was held in Beijing. The conference pointed out that over the past year, energy security guarantee has been effective, the pace of green transformation has accelerated, the level of scientific and technological innovation has continued to improve, a unified national power market has initially been built, and international cooperation has moved to a higher level. In 2026, we will closely focus on the goal of building a strong energy country, focus on promoting the formulation and implementation of the “15th Five-Year Plan” for energy, enhance energy security guarantee capacity, accelerate green and low-carbon transformation, add more than 200.0 million kW of new wind power and solar power installed capacity, promote the self-reliance and self-improvement of science and technology in energy, deepen energy reform and legal system construction, expand all-round international cooperation, and support the construction of Chinese-style modernization with high-quality energy work.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Improving rules to promote market construction, improving policies to assist energy transition

In January 2025, the National Development and Reform Commission and the National Energy Administration jointly issued the “Notice on Deepening the Marketization Reform of Renewable Energy Grid-connected Electricity Prices and Promoting the High-quality Development of Renewable Energy” (“Document No. 136”), clearly stating that all renewable energy grid-connected electricity shall enter the power market, the electricity price shall be formed through market transactions, and a sustainable development price settlement mechanism shall be established. Taking 1 June 2025 as the node, Document No. 136 properly connects the electricity volume scale of existing projects with the current relevant policy on guaranteed electricity volume scale, and the mechanism electricity price is implemented in accordance with the current price policy, not higher than the local coal-fired power benchmark price; the mechanism electricity price for incremental projects is determined through market-oriented bidding, and the scale dynamically matches the consumption responsibility weight. At the same time, a “refund for any overpayment or additional payment for any shortfall” price difference settlement mechanism is established, and the difference between the average market transaction price and the mechanism electricity price is included in the system operation cost. This ensures policy coherence for existing projects and stabilizes revenue expectations for new projects. The policy also clarifies that green certificate income shall not be double-counted, prohibits making energy storage a precondition for project grid connection, and strengthens the coordination with policies such as the power market and carbon accounting. As of March 2026, 30 provinces and autonomous regions across China have issued implementation rules for Document No.136, and 29 provinces and autonomous regions including Shanxi, Shandong, and Anhui have completed the bidding work. Renewable energy will face more sufficient market competition, and the price formation mechanism will be more complex.

MANAGEMENT DISCUSSION AND ANALYSIS

In April 2025, the National Development and Reform Commission and the National Energy Administration jointly issued the “Notice on Fully Accelerating the Construction of the Power Spot Market”, clearly stating that the full coverage of the power spot market nationwide shall be basically achieved by the end of 2025, and continuous settlement operation shall be fully carried out. User-side entities shall fully participate in spot market declaration, clearing and settlement by the end of the year, and the proportion of medium and long-term contract performance must meet the requirements of energy security and supply guarantee. The notice emphasizes that independent evaluation by a third-party organization is a prerequisite for official operation, and regions that fail to pass the system verification shall not carry out trial operation. This policy accelerates the construction of a unified national power market system, promotes the optimal allocation of power resources in a wider range, and injects strong momentum into the market-oriented reform of the industry.

In April 2025, the National Development and Reform Commission and the National Energy Administration jointly issued the “Basic Rules for the Power Auxiliary Service Market”, for the first time including new market entities such as energy storage enterprises, virtual power plants, and smart microgrids into the market scope, and clarifying that they will participate in auxiliary service transactions such as peak shaving, frequency modulation, reserve, and ramping together with power generation enterprises and power selling enterprises. The market operates under the principle of “providers are compensated and beneficiaries bear the costs”, establishing a “daily settlement, monthly clearing” mechanism that is aligned with the electricity spot market. This policy accelerates the construction of a new power system by activating diversified adjustment resources and improving the market-oriented price mechanism, and creates room for large-scale development of new quality productive forces such as energy storage and virtual power plants.

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In September 2025, the National Development and Reform Commission and the National Energy Administration jointly issued the “Guidelines for Regional Market Construction for Continuous Operation of Power Spot”, providing an authoritative guide for the power spot market to move from trial operation to mature operation. The guidelines mainly focus on key links such as optimizing the spot market trading mechanism, improving the medium and long-term market trading, refining the auxiliary service market, establishing a capacity compensation mechanism, and regulating the operation of the retail market, and put forward a series of specific measures such as optimizing the spot clearing mechanism, promoting the participation of new subjects in the market, and strengthening market information disclosure and supervision, aiming to build a power market system with diverse subjects, sufficient competition, and complete functions, promote the optimal allocation of power resources and the efficient consumption of renewable energy, and provide institutional guarantee for the construction of a unified national power market.

In November 2025, the National Development and Reform Commission and the National Energy Administration issued the “Notice on Optimizing the Market Quotation of Concentrated Renewable Energy Power Generation Enterprises (Trial)”, clarifying the scope of application and scale restrictions of centralized quotation. Only renewable energy power generation enterprises of the same group in the same province (autonomous region or municipality) are allowed to conduct centralized quotation, and the total scale shall not exceed the installed capacity of the largest coal-fired power plant in the province (autonomous region or municipality); standardize the workflow, requiring enterprises to apply jointly and conduct dynamic management; strengthen risk prevention and control and supervision, clarify the responsibilities of all parties, and prevent market manipulation. The notice aims to promote the construction of a market quotation method that conforms to the characteristics, distribution pattern, and operational status of renewable energy power generation, standardize the operation order of the power market, improve the efficiency of optimal allocation of power resources, and assist in the construction of a new power system.

MANAGEMENT DISCUSSION AND ANALYSIS

In December 2025, the National Development and Reform Commission and the National Energy Administration issued the “Basic Rules for the Medium and Long-term Power Market”, aiming to deepen the power market reform and meet the needs of the construction of a new power system. The rules clarify that except for the electricity volume subject to government-set prices, the transaction price in the medium and long-term power market shall be formed by market entities through the market, and no third party may interfere; for market entities directly participating in market transactions, the time-of-use electricity price level and time periods shall no longer be artificially specified; for users purchasing electricity through grid agents, the government price competent department shall comprehensively optimize the division of peak and valley time periods and the price fluctuation ratio according to the spot market price level. The rules promote the improvement of the flexibility of the medium and long-term market and facilitate the coordinated connection with the spot market.

3. Creating demand to guide green consumption, clarifying proportions to expand market space

In March 2025, five ministries and commissions including the National Development and Reform Commission and the National Energy Administration jointly issued the “Opinions on Promoting the High-quality Development of the Renewable Energy Green Power Certificate Market”, clarifying that a green certificate market system will be basically built by 2027, and the international application of green certificates and the full reflection of the environmental value of green power will be realized by 2030. It also proposes five major actions: stabilizing supply by automatically issuing green certificates monthly, promoting the full market participation of the power generation from wind power, solar energy, etc. establishing a “mandatory + voluntary” consumption mechanism, requiring key industries such as steel and chemical industry to have a green power consumption proportion of not less than the national average level of consumption responsibility weight by 2030, and incorporating green power consumption into ESG disclosure; improving

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the green certificate trading mechanism, supporting medium and long-term agreements and cross-provincial circulation; expanding the application of green certificates in scenarios such as carbon accounting and product labeling; promoting the formulation of international standards and enhancing the recognition of Chinese green certificates. This policy provides comprehensive support for the development of the green certificate market, helps stimulate enterprises' demand for green power consumption, and promotes the high-quality development of renewable energy.

In May 2025, the National Development and Reform Commission and the National Energy Administration jointly issued the “Notice on Matters Concerning the Orderly Promotion of the Direct Connection Development of Green Power”, requiring the determination of the installed capacity of renewable energy based on “load-driven source sizing”. In regions with spot markets, the proportion of self-generated and self-used electricity shall not be less than 60% (reaching 35% by 2030), the proportion of surplus electricity connected to the grid shall not exceed 20%, and the mandatory configuration of energy storage and flexible adjustment resources shall be implemented. This policy solves the problem of difficult traceability of green power through physical direct connection, accelerates the consumption of renewable energy, reduces the carbon tariff pressure on export enterprises, promotes the development of energy storage, smart grids and virtual power plants, and reconstructs the energy supply and demand pattern.

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In July 2025, the National Development and Reform Commission and the National Energy Administration issued the “Notice on the Weight of Renewable Energy Power Consumption Responsibility and Relevant Matters in 2025”, issuing the weight of renewable energy power consumption responsibility and the proportion of green power consumption in key energy-consuming industries for 2025 and 2026. The document proposes that on the basis of the electrolytic aluminum industry, the green power consumption proportion for the steel, cement, and polysilicon industries and new data centers at national hub nodes will be added. Among them, the green power use proportion required for the steel, cement, and polysilicon industries was 25.2%-70%, and that for data centers was 80%. This policy can create certain long-term market demand for renewable energy enterprises, realize “environmental premium”, and improve income.

4. Improving capabilities to support high-proportion access, innovating mechanisms to promote renewable energy consumption

In August 2025, the National Development and Reform Commission and the National Energy Administration issued the “Special Action Plan for the Large-scale Construction of New Energy Storage (2025–2027)”, proposing five measures including promoting the expansion of application scenarios of new energy storage, improving the utilization level of new energy storage, leading the innovative integration of new energy storage, strengthening the construction of new energy storage standard system, and accelerating the improvement of new energy storage market mechanism. It clearly states that by 2027, new energy storage will basically achieve large-scale and market-oriented development, the national installed capacity of new energy storage will reach more than 180.0 million kW, driving direct investment in projects of approximately RMB250.0 billion, promoting the transformation of energy storage from a “supplementary role” to a “core adjustment resource”, reducing the curtailment rate of wind and solar power, and ensuring the stability of power supply.

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In September 2025, the National Development and Reform Commission and the National Energy Administration issued the “Notice on Improving the Price Mechanism to Promote the Local Consumption of Renewable Energy Power Generation”, clarifying the definition conditions and consumption requirements of local consumption projects, improving the fair and reasonable transmission and distribution fee payment mechanism, and establishing a mechanism for equal participation in the power market. This policy effectively reduces the adjustment pressure on the large power grid, improves the safety and stability level of the power system, and lays a solid foundation for the standardized and scaled development of renewable energy local consumption projects.

In October 2025, the National Development and Reform Commission and the National Energy Administration issued the “Guiding Opinions on Promoting the Consumption and Regulation of Renewable Energy”, clearly dividing the development and consumption of renewable energy into five categories: coordinating the external transmission and local consumption of “shagehuang” renewable energy bases, optimizing the integrated development and consumption of hydro, wind, and solar bases, promoting the standardized and orderly development and consumption of offshore wind power, scientifically and efficiently promoting the development and consumption of provincial centralized renewable energy, and actively expanding the development and consumption of distributed renewable energy. It also enhances the adaptability of the new power system to renewable energy, improves the construction of a unified national power market system to promote the consumption of renewable energy, and strengthens the support of technological innovation for the consumption of renewable energy.

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II. BUSINESS REVIEW

(I) Business

In 2025, facing a complex situation and arduous tasks, under the strong leadership of the Board of the Company, the Group adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, firmly grasped the work mainline of “stabilizing operations, strategizing innovation, optimizing investments, strengthening management, and ensuring safety”, fully implemented the work requirements of “three transformations”, and thoroughly implemented the “12355” work idea. It rose to challenges, forged ahead with determination, and achieved remarkable results in various tasks.

In 2025, the Group recorded net additions of 4,851.10 MW of new energy consolidated installed capacity, including 1,738.60 MW of newly added consolidated installed capacity of wind power and 3,142.50 MW of newly added consolidated installed capacity of solar power, while reducing biomass power generation consolidated installed capacity by 30.00 MW. As of 31 December 2025, the Group’s total consolidated installed capacity reached 45,994.29 MW, including 32,147.37 MW of wind power, 13,840.82 MW of solar power, and 6.10 MW of other renewable energy. In 2025, the Group cumulatively generated 76,469,353.0 MWh of electricity, including 63,086,188.0 MWh of wind power, a year-on-year increase of 4.19%; and 13,377,458.0 MWh of solar power, a year-on-year increase of 70.92%.

1. Fully consolidate the foundation of safety and environmental protection, lay a solid foundation for high-quality development

In 2025, the Group fully constructed a safety production management system, practiced the safety culture concept of “starting from scratch and striving for zero incidents”, took “zero casualties, zero accidents, zero losses” as the ultimate goal, and promoted refined safety production management with a back-to-basics mindset. It innovated in implementing special actions such as safety management enhancement in “three ones” and “three rectifications” at operational sites, reinforced the contractor management in “three stages” and accident prevention with “three lines of defense”, and improved the level of intrinsic safety. It deeply integrated digital transformation, fully upgraded the safety and environmental

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protection intelligent supervision platform, and realized dynamic risk management and control. It improved the points-based management system, and promoted the improvement of management efficiency through rigid constraints. It systematically promoted hierarchical risk management and control, strictly implemented the key tasks of safety and environmental protection for the year, carried out a three-year campaign to tackle the root causes, organized warning education activities for “safety production month”, implemented offshore emergency drill observations, and successfully withstood the direct onslaught of Super Typhoon Ragasa, with zero losses. It built a closed-loop system for hidden danger investigation and treatment, significantly improved employees’ safety performance capabilities and on-site supervision efficiency, and achieved the “double zero” goal of major safety accidents and environmental incidents throughout the year.

In 2025, the Group strived to build a new pattern of efficient operation and maintenance, with regional maintenance bases as hubs radiating surrounding stations, realizing the optimization of personnel allocation. It fully applied drone inspection technology in core business areas such as wind power and solar power, and initially built an intelligent operation and maintenance innovation system. It dynamically improved the production and operation system, and constructed a standardized management mechanism compatible with high-quality development. It implemented “list-based” fire safety management, conducted two rounds of special inspections on fire hazards of generating units, and achieved 100% closed-loop management of major hazards. It implemented a preventive maintenance strategy to improve equipment reliability, improved the technical standard system for wind power tower collapse prevention, strengthened whole-process technical supervision, and built a multi-level risk prevention and control network.

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In 2025, the Group cumulatively generated 76,469,353.0 MWh of electricity, a year-on-year increase of 1.22%, and the new energy power generation increased by 11.82% year-on-year, of which wind power generation was 63,086,188.0 MWh, a year-on-year increase of 4.19%. In 2025, the average utilization hours for wind power were 2,052 hours, a year-on-year decrease of 138 hours, and 73 hours higher than the industry average. The decrease in the average utilization hours for wind power was mainly due to two reasons: firstly, the average wind speed across the Group's project locations in 2025 decreased by 0.1 m/s year-on-year; secondly, the national new energy installed capacity grew at a high speed, but the growth rate of electricity demand was less than the growth rate of installed capacity, leading to an imbalance between supply and demand in some regions, an increase in the wind power curtailment rate year-on-year, and an increase in curtailment losses year-on-year.

The consolidated power generation of the Group's wind farms by region in 2024 and 2025 was as follows:

Region	2025 (MWh)	2024 (MWh)	Change Rate
Heilongjiang	2,961,665	3,198,283	-7.40%
Jilin	1,936,253	2,145,298	-9.74%
Liaoning	2,913,237	3,260,372	-10.65%
Inner Mongolia	6,779,175	6,620,070	2.40%
Jiangsu (Onshore)	2,302,128	2,332,205	-1.29%
Jiangsu (Offshore)	5,465,227	5,877,313	-7.01%
Zhejiang	340,245	375,001	-9.27%
Fujian	3,426,790	3,338,939	2.63%
Hainan	140,120	128,144	9.35%
Gansu	4,440,437	3,505,095	26.69%
Xinjiang	3,938,594	3,517,156	11.98%
Hebei	3,739,465	3,673,333	1.80%
Yunnan	3,037,575	3,247,012	-6.45%
Anhui	1,915,959	1,771,316	8.17%
Shandong	1,512,475	1,364,650	10.83%
Tianjin	1,058,309	950,318	11.36%
Shanxi	3,020,062	2,526,807	19.52%

MANAGEMENT DISCUSSION AND ANALYSIS

Region	2025 (MWh)	2024 (MWh)	Change Rate
Ningxia	1,878,385	1,659,959	13.16%
Guizhou	1,830,045	1,796,442	1.87%
Shaanxi	1,765,451	1,770,241	-0.27%
Tibet	12,621	14,467	-12.76%
Chongqing	668,951	668,245	0.11%
Shanghai	128,017	120,182	6.52%
Guangdong	299,209	330,675	-9.52%
Hunan	661,240	707,618	-6.55%
Guangxi	3,776,880	2,972,064	27.08%
Jiangxi	575,404	465,628	23.58%
Hubei	208,754	210,551	-0.85%
Qinghai	605,317	257,185	135.36%
Henan	685,510	538,117	27.39%
Canada	228,477	239,880	-4.75%
South Africa	710,394	784,509	-9.45%
Ukraine	123,818	183,286	-32.45%
Total	63,086,188	60,550,359	4.19%

Note: The figures provided in this table have been adjusted to integers. Therefore, if there is a rounding difference between the total figure and the sum of the listed items, it is due to integer adjustment.

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The average utilization hours/capacity factor of wind power of the Group's wind farms by region in 2024 and 2025 were as follows:

Region	2025 Average Wind Power Utilization Hours (Hours)	2025 Average Wind Power Capacity Factor	2024 Average Wind Power Utilization Hours (Hours)	2024 Average Wind Power Capacity Factor	Change Rate of Average Wind Power Utilization Hours
Heilongjiang	1,998	23%	2,140	24%	-6.64%
Jilin	1,966	22%	2,257	26%	-12.89%
Liaoning	1,865	21%	2,190	25%	-14.84%
Inner Mongolia	2,203	25%	2,176	25%	1.24%
Jiangsu (Onshore)	1,741	20%	1,764	20%	-1.30%
Jiangsu (Offshore)	2,496	28%	2,685	31%	-7.04%
Zhejiang	1,497	17%	1,638	19%	-8.61%
Fujian	3,150	36%	3,068	35%	2.67%
Hainan	1,415	16%	1,294	15%	9.35%
Gansu	1,730	20%	1,693	19%	2.19%
Xinjiang	1,987	23%	2,144	24%	-7.32%
Hebei	2,098	24%	2,072	24%	1.25%
Yunnan	2,049	23%	2,480	28%	-17.38%
Anhui	2,297	26%	2,124	24%	8.15%
Shandong	2,246	26%	2,188	25%	2.65%
Tianjin	1,898	22%	1,849	21%	2.65%
Shanxi	2,213	25%	1,860	21%	18.98%
Ningxia	1,925	22%	1,755	20%	9.69%
Guizhou	1,715	20%	1,943	22%	-11.73%
Shaanxi	2,116	24%	2,122	24%	-0.28%

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Region	2025 Average Wind Power Utilization Hours (Hours)	2025 Average Wind Power Capacity Factor	2024 Average Wind Power Utilization Hours (Hours)	2024 Average Wind Power Capacity Factor	Change Rate of Average Wind Power Utilization Hours
Tibet	1,683	19%	1,929	22%	-12.75%
Chongqing	2,311	26%	2,308	26%	0.13%
Shanghai	2,695	31%	2,530	29%	6.52%
Guangdong	2,439	28%	2,710	31%	-10.00%
Hunan	2,144	24%	2,295	26%	-6.58%
Guangxi	1,617	18%	2,812	32%	-42.50%
Jiangxi	2,041	23%	2,369	27%	-13.85%
Hubei	2,216	25%	2,235	25%	-0.85%
Qinghai	1,463	17%	1,715	20%	-14.69%
Henan	2,541	29%	2,406	27%	5.61%
Canada	2,306	26%	2,421	28%	-4.75%
South Africa	2,905	33%	3,209	37%	-9.47%
Ukraine	1,619	18%	2,396	27%	-32.43%
Total	2,052	23%	2,190	25%	-6.30%

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2. Expand high-quality resource reserves, promote high-quality scale growth

In 2025, the Group remained committed to promoting synergy between enhancing the quality of existing assets and optimizing incremental development, seized strategic opportunities, optimized layout and adjusted structure, and made every effort to expand high-quality resources. It actively practiced the “five demonstrations”, drove high-quality development, breakthrough progress and innovative practices with major projects, fully promoted the construction of “shagehuang” wind-solar bases, strengthened the large-scale development of offshore wind power, and built renewable energy benchmark bases with Longyuan characteristics. It focused on regions in the central and southeastern parts with strong consumption capacity and significant electricity tariff advantages, and prioritized the acquisition of competitive allocation quotas. It scientifically implemented “replacing small with large” projects, arranged shared energy storage projects according to local conditions, and cooperated with downstream industries to orderly expand application scenarios of green power-to-hydrogen (ammonia). It accelerated the layout of deep and open sea projects, and deepened strategic planning and implementation.

In 2025, the Group signed new development agreements totaling 5.86 GW, including 4 GW of wind power, 0.65 GW of solar power and 1.21 GW of energy storage, all located in resource-rich regions. Throughout the year, the Group secured cumulative development quotas of 8.63 GW, comprising 4.27 GW of wind power and 4.36 GW of solar power.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Tackle key project construction, build high-quality benchmark projects

In 2025, the Group focused on project construction, scientifically allocated construction resources, targeted solutions to bottlenecks to oversee the entire process of advancing key milestones. For large base projects, it optimized the construction plan, achieved shared and collaborative human resources, deepened professional cooperation, pooled ideas and efforts to tackle challenges, and created a new model for base construction. It improved the standard system construction, formulated the standardized system for renewable energy of CHN Energy, took the lead in completing the compilation and review of 40 appendices in 5 volumes, issued 3 volumes of standard construction technologies for engineering, and revised and improved the construction, acceptance, and quality common problem manuals for photovoltaic parts. It optimized the preliminary design review and management, guided the project construction with the “six excellences” standards, and prioritized the selection of “two highs and three friendlies” models and components. The comprehensive implementation of the “124+N” full-life cycle cost control system was carried out, a cost center was established, design optimization was deepened, the scope of centralized procurement was expanded to promote continuous cost reduction, and cost control was refined and effective. It coordinated the cost targets during the bidding and construction stages, refined the quantity and price list, established a dynamic monitoring system, earnestly implemented the “internal and external double audit system”, strictly controlled project quantity and engineering cost, carried out in-depth intensive procurement work, and achieved remarkable results in material recycling and efficiency improvement.

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In 2025, the Group's Tianjin Haijing Salts+Solar Complementary Project and Jiangsu Sheyang Shared Energy Storage Power Station Project won the China Power Quality Engineering Award. Henan Qingfeng 100 MW Wind Power Project obtained the Henan Provincial Construction Method Certificate. The Group's "Shared Energy Storage Enterprises Assisting in the Construction of a New Power System and Building a 'Six-in-One' Energy Storage Development Management System" was recognized as the "2025 Power Construction Technological Innovation Management Achievement" from the China Association of Electric Power Construction Enterprises.

In 2025, the Group recorded net additions of 4,851.10 MW of new energy consolidated installed capacity, including 1,738.60 MW of newly added consolidated installed capacity of wind power, 3,142.50 MW newly added consolidated installed capacity of solar power, while reducing biomass power generation consolidated installed capacity by 30.00 MW.

The consolidated installed capacity of the Group's wind farms as of 31 December 2024 and 31 December 2025 by region was as follows:

Region	31 December 2025 (MW)	31 December 2024 (MW)	Change Rate
Heilongjiang	1,761.15	1,695.70	3.86%
Jilin	966.80	943.90	2.43%
Liaoning	1,639.70	1,489.70	10.07%
Inner Mongolia	3,098.30	3,078.30	0.65%
Jiangsu (Onshore)	1,338.50	1,338.50	0.00%
Jiangsu (Offshore)	2,191.60	2,191.60	0.00%
Zhejiang	223.90	227.90	-1.76%
Fujian	1,053.10	1,053.10	0.00%
Hainan	99.00	99.00	0.00%

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Region	31 December 2025 (MW)	31 December 2024 (MW)	Change Rate
Gansu	2,599.30	2,569.30	1.17%
Xinjiang	2,521.50	2,031.50	24.12%
Hebei	1,851.35	1,782.60	3.86%
Yunnan	1,440.30	1,440.30	0.00%
Anhui	834.10	834.10	0.00%
Shandong	696.40	646.90	7.65%
Tianjin	581.50	583.00	-0.26%
Shanxi	1,336.95	1,339.75	-0.21%
Ningxia	1,024.75	974.70	5.13%
Guizhou	1,179.18	1,029.08	14.59%
Shaanxi	833.85	833.85	0.00%
Tibet	7.50	7.50	0.00%
Chongqing	289.50	289.50	0.00%
Shanghai	47.50	47.50	0.00%
Guangdong	129.34	125.74	2.86%
Hunan	308.35	308.35	0.00%
Guangxi	2,317.85	2,317.85	0.00%
Jiangxi	288.15	233.90	23.19%
Hubei	94.20	94.20	0.00%
Qinghai	650.00	157.70	312.18%
Henan	323.65	223.65	44.71%
Canada	99.10	99.10	0.00%
South Africa	244.50	244.50	0.00%
Ukraine	76.50	76.50	0.00%
Total	32,147.37	30,408.77	5.72%

MANAGEMENT DISCUSSION AND ANALYSIS

4. Innovate the system to improve marketing capabilities, activate the efficiency of high-quality development

In 2025, the Group proactively responded to the dual challenges of the accelerated construction of the power market and the full market participation of renewable energy, closely monitored the implementation plans of Document No.136 in each province, systematically assessed the impact on both existing and incremental projects, formulated targeted response plans, and further deepened the “five in one” marketing system, which is “transaction-centric, subsidy-based, green carbon-characteristic, talent-driven, and system-supported”. It focused on core issues such as the scale of mechanism electricity, bidding for incremental projects, and the upper and lower limits of spot prices, deeply participated in the formulation of market-oriented reform rules in various provinces and cities, and actively strived for policy support. In terms of medium and long-term transactions, it adhered to the principle of “balancing quantity and price, prioritizing benefits”, scientifically organized annual transactions, achieved a year-on-year increase in contracted electricity volume, and consolidated the income foundation. It took multiple measures such as grid coordination, inter-provincial transactions and energy storage peak shaving to reduce the impact of curtailment from multiple dimensions, and strengthened the recovery and list management of subsidy funds. Facing the new challenge of full spot trading of renewable energy, it promoted the subsidiaries to improve their ability to proactively respond to the market, set up an expert team to carry out special guidance in key regions such as Shandong, Eastern Inner Mongolia and Gansu, and systematically improved transaction capabilities. It simultaneously optimized the marketing organization structure, added marketing positions in the operation monitoring center to realize the synergy between production and marketing, and carried out trader skill certification and multi-level training competitions. It innovatively promoted the construction of the Longyuan Power marketing system with “one province, one policy”, and comprehensively improved the informatization and intelligence level of transactions through functions such as data management, market analysis, and prediction modeling.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2025, the average on-grid tariffs for wind power of the Group amounted to RMB475 per MWh (VAT inclusive), representing a decrease of RMB52 per MWh as compared with RMB527 per MWh (VAT inclusive) in 2024, which was mainly due to the expansion of the wind power market transaction scale, an increase in parity projects, and structural factors. The average on-grid tariffs for solar power amounted to RMB318 per MWh (VAT inclusive), representing a decrease of RMB17 per MWh as compared with the average on-grid tariffs for solar power of RMB335 per MWh (VAT inclusive) in 2024, which was mainly due to the expansion of the solar power generation market transaction scale, the relatively low market transaction electricity prices, resulting in lower average on-grid tariffs.

5. Actively expand the green certificate and green power trading market, tap the potential of high-quality development

In 2025, the Group established a centralized and unified management model for green certificates, gave play to its scale advantage, and improved its marketing capabilities for green power and green certificates. It built a “one body, three wings” sales system for green certificates, completed the maintenance of the green certificate transaction control platform project ledger information, completed the authorization of the filing and card system project, maximizing the realization of green environmental value. In 2025, 16.207 million green certificates were issued and 16.322 million green certificates were traded, a year-on-year increase of 59.47%. It increased customer development efforts, tapped users’ green power consumption demand, and explored the potential of green power value. In 2025, it completed 8.56 billion kWh of green power transactions, a year-on-year increase of 27.74%. It promoted multi-year green power transactions, signed the Company’s first 6-year green power contract in Fujian, with a contracted electricity price more than RMB20 per MWh higher than the market price of similar contracts in the same period.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2025, the Group actively participated in the construction of the national greenhouse gas voluntary emission reduction market, revised the industry technical guidelines, and the group standard “Technical Guidelines for Carbon Emission Data Management Information Systems of Power Generation Enterprises” drafted by the Group was officially implemented, promoting the experience of power generation enterprises in building carbon emission information systems to the whole industry. The independently developed blockchain on-chain storage and certification system of carbon emission data successfully passed the scientific and technological achievement appraisal organized by the China Electricity Council, which recognized that the system has reached the international advanced level overall. Three energy industry standards applied for by the Group as the leading unit were approved and established by the National Energy Administration, filling the gap in the instrumental analysis standards for potassium, sodium, and fluorine elements in biomass. It actively developed carbon inclusion projects and reserved various carbon assets.

6. Adhere to the leadership of scientific and technological innovation, cultivate abundant momentum for high-quality development

In 2025, the Group continued to strengthen the construction of the scientific and technological innovation system, formulated the “1234” scientific and technological innovation work strategy, and systematically built a scientific and technological innovation platform with the core characteristics of “strategic leadership, system support, breakthroughs in key areas, digital and intelligent integration and ecological aggregation”. It strengthened the dual-drive innovation mechanism, deepened the “1+1+4+N” independent R&D-driven system for scientific and technological innovation internally, and built a multi-party collaborative and efficient innovation-driven system externally. It successfully obtained the approval to establish a national postdoctoral research workstation and was approved as a supporting unit of the Beijing Natural

MANAGEMENT DISCUSSION AND ANALYSIS

Science Foundation, becoming a power generation enterprise with both national and provincial-level natural science foundation supporting unit qualifications. The first batch of 4 collaborative innovation projects of the Longyuan Power – Xi'an Jiaotong University New Energy Innovation Research Center was approved and established. It participated in 7 national-level scientific and technological innovation projects and took the lead in 3 major research projects, bravely being a pacesetter in the construction of the national new power system, development of domestic wind resource software, and green hydrogen new quality productive forces.

In 2025, the Group took on the responsibility of leading the construction of the “Qingyuan” large model and released the first AI large model in the renewable energy industry. Relying on the official release of the “Qingyuan” large model, it achieved dual filing of “generative artificial intelligence services” and “deep synthesis service algorithms”, and the constructed “high-quality dataset for the wind power industry” was doubly authorized and certified by the National Data Administration and the State-owned Assets Supervision and Administration Commission, becoming the only selected model in the wind power field. The world's first wind-fishery integrated floating platform “Guoneng Gong Xiang Hao” project was completed and accepted, the first offshore wind power comprehensive detection platform “Guoneng Haice No.1” in China was put into operation, and the first 1,000-ton wind power retired blade recycled profile production line in China was built.

MANAGEMENT DISCUSSION AND ANALYSIS

In 2025, the Group continued to produce high-quality scientific and technological innovation achievements. It accepted 25 scientific and technological innovation projects, completed 12 scientific and technological achievement appraisals, 7 of which were identified as international leading level, won 14 provincial and ministerial and industry-level awards, with the number of awards reaching a new high during the “14th Five-Year Plan” period. It applied for 184 new patents this year, including 135 invention patents (a new high) and 49 utility model patents. 2 international standards were approved and established, realizing a breakthrough in the establishment of international standards of the Group.

7. Strengthen the refined control of financial costs, consolidate the advantages of high-quality development

In 2025, the Group adhered to the principle of “structural optimization and cost controllability”, fought a “defensive counterattack” in fund management, and systematically improved financing efficiency and fund use efficiency on the premise of ensuring liquidity safety. By comprehensively arranging the rhythm of long-term and short-term financing, optimizing the debt structure and term allocation, it effectively controlled the fund cost while increasing the financing scale, reasonably matched the bond varieties and terms, and secured long-term low-cost funds to hedge against interest rate fluctuation risks. It simultaneously promoted the optimization of existing debts, realized the reduction of debt costs by sorting out and adjusting the loan structure and interest rate level, and further improved the efficiency of fund use.

In 2025, the Group issued a total of 23 bonds with a total of RMB44.8 billion. The Group successfully issued 14 super-short-term financing bonds and 8 medium-term notes, maintaining an industry advantage in fund costs throughout the year. The Group successfully issued 1 green medium-term note, which not only effectively reduced the fund cost, but also demonstrated the Group’s responsibility and commitment to “carbon peak and carbon neutrality”.

MANAGEMENT DISCUSSION AND ANALYSIS

8. Implement the strategy of overseas investment and operation platform, promote high-quality international layout

In 2025, the Group continued to strengthen overseas asset management, follow the trend of the international renewable energy market, and promote the construction of an overseas green energy investment and operation platform. It systematically planned the development strategy of “one core development, two wings driving, five-domain layout, and six-dimensional support”, and guided the high-quality advancement of overseas renewable energy layout. It focused on strategic deep cultivation and achieved steady breakthroughs in key regions: the total 1.44 GW solar projects such as South Africa's Tara Farm and Caravan were approved through selection; and it obtained the bidding qualification of the 2.2 GW wind power project in Saudi Arabia; signed a cooperation memorandum of understanding with Eskom (South African Power Company), forming an overseas reserve layout of “blooming everywhere” and injecting momentum into international development.

MANAGEMENT DISCUSSION AND ANALYSIS

III. Core Competitiveness Analysis

1. Collaboration and coordination to empower development

The Group has systematically built a shared collaboration platform with “internal sharing and external collaboration” as the core path, gradually moving from independent operation to ecological win-win. It deepens internal sharing, releases management dividends with intensiveness and efficiency, and relies on the integration advantage of the controlling shareholder CHN Energy to fully compete for the leading power in base project development, proactively layout large base, offshore and overseas large-scale projects, and consolidate the development foundation. It strengthens external collaboration, expands the industrial ecosystem through open cooperation, innovates the “professional support + regional collaboration” base development model, extends the resource development chain, and promotes the coordinated development of resource acquisition, development and utilization. It builds an advanced technical service system covering 11 types of technical services including station design and power prediction, and relies on experience and core technologies such as resource assessment and equipment selection to safeguard project advancement. It vigorously promotes the “new energy +” model, introducing industrial clusters through ecological governance and other means. It enhances resource acquisition capabilities through large-scale development, continuously leads the industry, and injects strong momentum into the sustainable development of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Digital intelligence-driven to lead breakthrough

The Group strengthens digital empowerment, expands the application of large models in scenarios such as policy analysis, power trading and power prediction, innovates equipment maintenance models, effectively improves the accuracy of comprehensive fault diagnosis and one-time repair rate, constructs a high-precision regional meteorological large model to enhance the accuracy of meteorological and power prediction. Focusing on in-depth AI empowerment, the Group accelerates its digital transformation, takes the lead in releasing the high-standard “Qingyuan” power generation industry large model, successfully builds the first batch of 7 benchmark application scenarios, and achieves dual filing of “generative artificial intelligence services” and “deep synthesis service algorithms”. The constructed “high-quality dataset for the wind power industry” was doubly authorized and certified by the National Data Administration and the State-owned Assets Supervision and Administration Commission, becoming the only selected model in the wind power field, providing core data support for AI training and scenario implementation. In the field of deep and open sea wind power, it masters technologies such as semi-submersible foundation structure design and hydrodynamic analysis, conducts cutting-edge technology research including offshore smart energy islands and tension-leg platform floating offshore wind power. Its intelligent operation and maintenance system covers fault diagnosis and intelligent maintenance to improve the efficiency and safety of power station operation. The Group deeply participates in national strategies and leads industry co-construction, conducts technical exchanges with leading enterprises and promotes the optimal selection of equipment. From technological breakthroughs to data accumulation, it strengthens core competitiveness in the new energy field from multiple dimensions, providing solid support for development.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Intelligent marketing to achieve excellence and leadership

The Group constructs trading mechanisms including analysis and evaluation, regular monitoring and expert guidance, strengthens full-process penetrative management and control, dynamically optimizes trading strategies, tracks policy-guided project planning and revenue calculation, coordinates volume and price to participate in the market, conducts “one station, one analysis” of resource characteristics, flexibly adjusts positions based on power generation and transaction price predictions, realizes the coordination of medium and long-term and spot transactions, and ensures that the electricity price is not lower than the regional average level. It strengthens power curtailment management and cross-region power transmission to control the power curtailment ratio, expands green power and green certificate transactions, taps carbon emission reduction benefits to maximize project returns, establishes a multi-level training system to cultivate a professional trading team, promotes the construction of a marketing auxiliary decision-making system, applies AI technologies such as the “Qingyuan” large model to realize multiple innovative functions including intelligent execution of bulk transactions, and builds professional tools such as spot price difference analysis, daily rolling transactions, intelligent listing and delisting, and transaction review, promoting the transformation of power trading from “experience-driven” to “data-driven”.

MANAGEMENT DISCUSSION AND ANALYSIS

4. Strict cost control to improve quality and efficiency

The Group vigorously implements the cost leadership strategy, implements the full-life cycle cost control plan, continuously expands the scale and scope of centralized procurement, effectively controls project costs to achieve industry-leading cost levels, strictly controls production expenses, interest expenses and other expenses. Deepening benchmarking management and implementing a benchmarking system, the Group analyzes shortcomings around “volume, price, cost and profit”, conducts targeted improvements to realize benefit priority and cost leadership. It strengthens equipment governance, deepens regional operation and inspection reforms, optimizes the layout of maintenance centers, and explores cross-provincial operation and maintenance; builds “unmanned stations” to improve efficiency and reduce costs, accelerates the construction of smart power stations to reduce labor costs. Meanwhile, focusing on quality improvement and efficiency enhancement, the Company fully implements zero-based budgeting, focuses on core businesses such as loss reduction and claim optimization, and improves the efficiency of fund use through measures such as optimizing the debt structure and locking in long-term low-cost funds, constructing a full-chain cost reduction and efficiency enhancement system covering procurement, warehousing, operation and maintenance and funds.

MANAGEMENT DISCUSSION AND ANALYSIS

5. Talents pooling to create intelligent advantages

The Group vigorously strengthens the construction of its talent team, optimizes the talent reserve, deployment, training and sharing management mechanism, and fully activates internal talent resources. It has achieved remarkable results in the construction of the “three teams”, adding 2 group chief experts and 2 skilled craftsmen of CHN Group level, and 6 young pioneers in scientific and technological innovation. Constructing a professional talent training system for skills and technology, the Group has created training brands with Longyuan characteristics such as the “Craftsman Training Camp” and “Expert Lecture Hall”. It established a “1+3+N” training base system, obtained multiple qualification certifications, built the Longyuan Power training brand, improved the “four databases” system, and optimized the operation management mechanism. Strengthening internal human resource allocation, the Group has formed a talent pool of 206 people covering multiple professional fields such as engineering, production and marketing. With an improved salary incentive mechanism highlighting performance contribution orientation, the Group has fully promoted the term system and contractual management of management members, continuously revised relevant management systems, and stimulated new momentum for employees to work hard and innovate.

III. ANALYSIS OF OPERATING RESULTS

In 2025, the Group achieved a net profit of RMB5,618 million, a decrease of 33.0% as compared to RMB8,384 million in the same period of 2024; the net profit attributable to equity holders of the Company was RMB4,638 million, a decrease of 27.9% as compared to RMB6,435 million in the same period of 2024; the earnings per share was RMB55.48 cents, a decrease of RMB20.94 cents as compared to RMB76.42 cents in the same period of 2024.

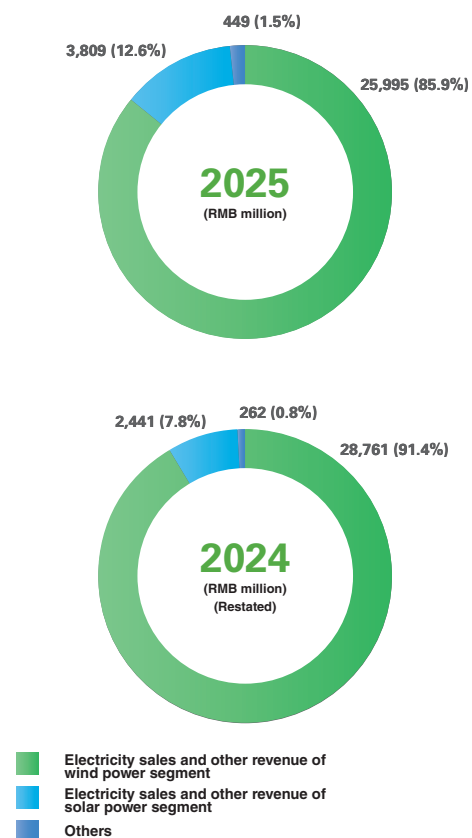
MANAGEMENT DISCUSSION AND ANALYSIS

Continuing operations:

Operating revenue

Operating revenue of the Group amounted to RMB30,253 million in 2025, representing a decrease of 3.8% as compared to RMB31,464 million in 2024. The decrease in operating revenue was primarily due to: (1) a decrease of RMB2,764 million, or 9.6%, in electricity sales and other revenue of the wind power segment to RMB25,995 million in 2025 as compared to RMB28,761 million in 2024, which was primarily due to the decrease in the average on-grid tariff and the decrease in the average utilization hours; and (2) an increase of RMB1,368 million, or 56.0%, in electricity sales and other revenue of the solar power segment to RMB3,809 million in 2025 as compared to RMB2,441 million in 2024, which was mainly due to the increase in the average installed capacity and power generation.

The operating revenue and proportion of each segment are shown in the diagrams below:

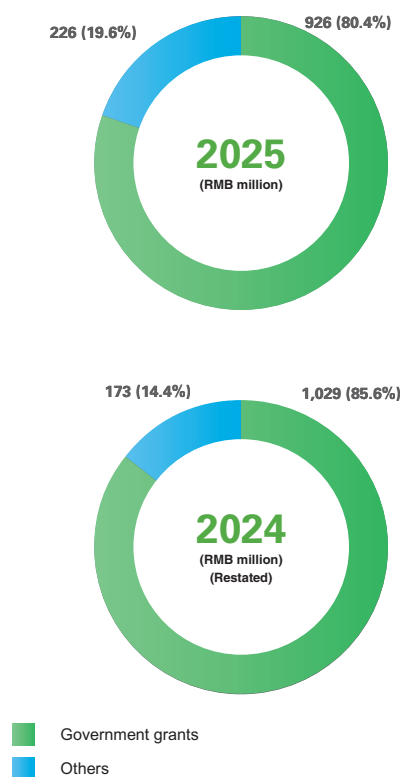


MANAGEMENT DISCUSSION AND ANALYSIS

Other net income

Other net income of the Group amounted to RMB1,152 million in 2025, representing a decrease of 4.2% as compared to RMB1,202 million in 2024, with no significant changes as compared to the previous year.

The breakdown of other net income items and their respective proportions are set out in the diagrams below:

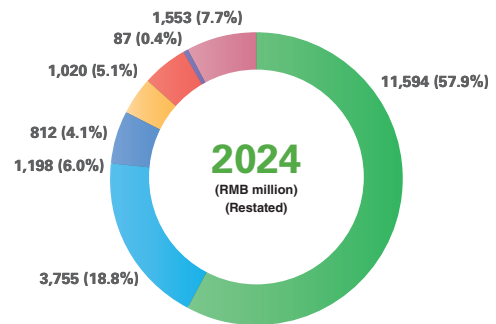
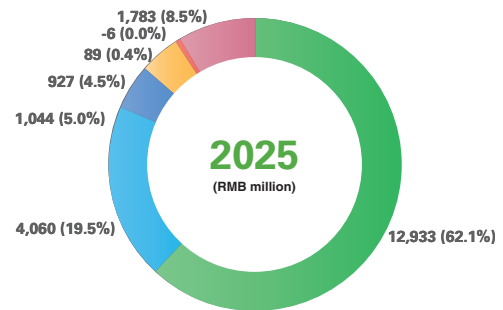


MANAGEMENT DISCUSSION AND ANALYSIS

Operating expenses

Operating expenses of the Group amounted to RMB20,831 million in 2025, representing an increase of 4.1% as compared to RMB20,020 million in 2024, primarily due to: (1) the increase of RMB1,339 million in the depreciation and amortisation as a result of the conversion of new projects into fixed assets; and (2) the increase of RMB305 million in personnel costs as more projects were put into operation.

The breakdown of operating expenses items and their respective proportions are set out in the diagrams below:

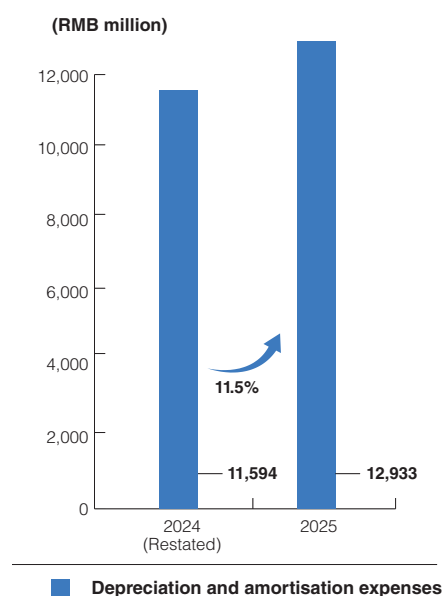


MANAGEMENT DISCUSSION AND ANALYSIS

Depreciation and amortisation expenses

Depreciation and amortisation expenses of the Group amounted to RMB12,933 million in 2025, representing an increase of 11.5% as compared to RMB11,594 million in 2024, primarily due to the impact of new projects commencing operations and converting into fixed assets, including: (1) an increase of RMB773 million or 62.1% in depreciation and amortisation expenses in the solar power segment as compared to 2024; and (2) an increase of RMB465 million or 4.5% in depreciation and amortisation expenses in the wind power segment as compared to 2024.

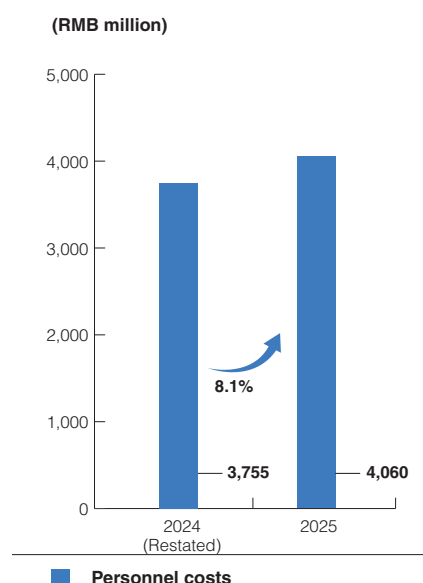
Depreciation and amortisation expenses are set out in the diagram below:



Personnel costs

Personnel costs of the Group amounted to RMB4,060 million in 2025, representing an increase of 8.1% as compared to RMB3,755 million in 2024, which was primarily due to the fact that a portion of the personnel costs were expensed instead of being capitalised as more projects commenced operation.

Personnel costs are set out in the diagram below:

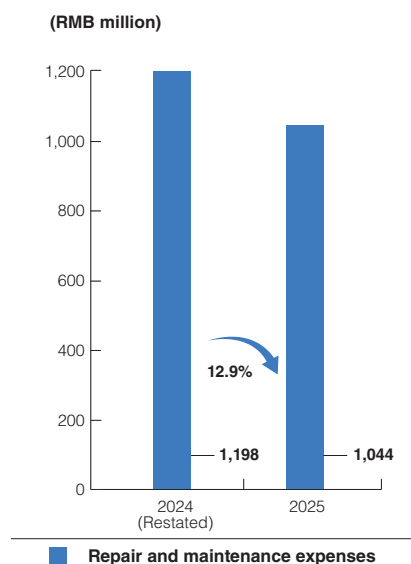


MANAGEMENT DISCUSSION AND ANALYSIS

Repair and maintenance expenses

The repair and maintenance expenses of the Group amounted to RMB1,044 million in 2025, representing a decrease of 12.9% as compared to RMB1,198 million in 2024, primarily due to the Group's enhanced technical upgrades to wind turbines with extended operational lifespans. Following these upgrades, the turbines demonstrated greater stability, resulting in fewer component failures and consequently a decrease in maintenance costs.

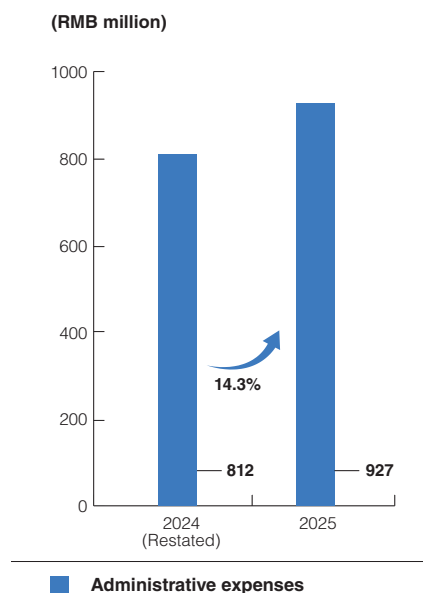
Repair and maintenance expenses are set out in the diagram below:



Administrative expenses

Administrative expenses of the Group amounted to RMB927 million in 2025, representing an increase of 14.3% as compared to RMB812 million in 2024, which was primarily due to the increase in administrative expenses as a result of the additions of new projects in operation in the wind power and solar power segments this year.

Administrative expenses are set out in the diagram below:

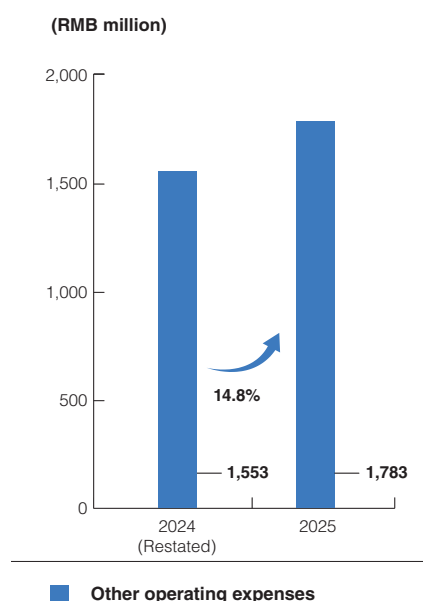


MANAGEMENT DISCUSSION AND ANALYSIS

Other operating expenses

Other operating expenses of the Group amounted to RMB1,783 million in 2025, representing an increase of 14.8% as compared to RMB1,553 million in the corresponding period of 2024, which was primarily due to the increase in various other operating expenses in 2025 driven by the growth in the Group's installed capacity.

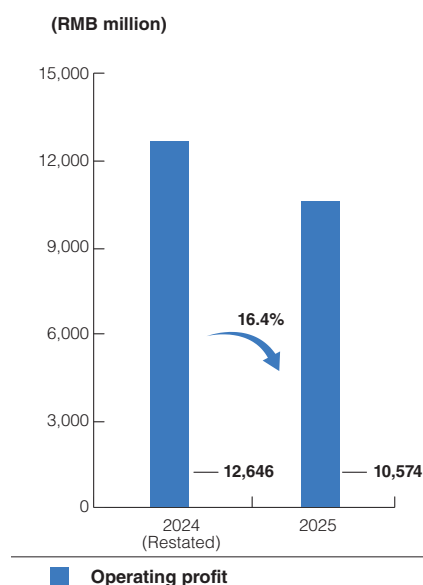
Other operating expenses are set out in the diagram below:



Operating profit

Operating profit of the Group amounted to RMB10,574 million in 2025, representing a decrease of 16.4% as compared to RMB12,646 million in 2024, which was primarily due to: (1) a decrease in revenue from electricity sales due to a decline in the average on-grid tariff of the wind power segment and the decrease in the average utilization hours, leading to a decrease of RMB2,668 million in operating profit; (2) an increase in revenue from electricity sales due to an increase in installed capacity of the solar power segment, resulting in an increase of RMB631 million in operating profit.

Operating profit is set out in the diagram below:

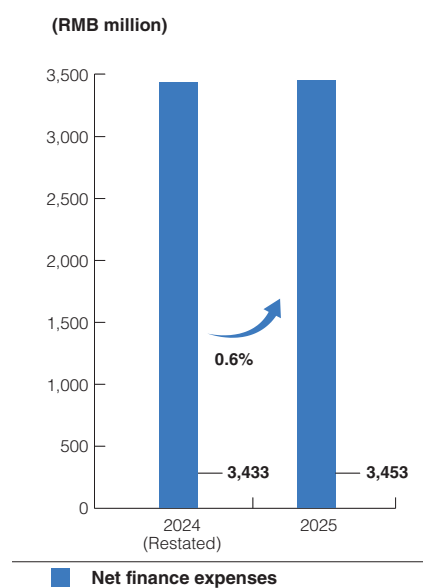


MANAGEMENT DISCUSSION AND ANALYSIS

Net finance expenses

Net finance expenses of the Group amounted to RMB3,453 million in 2025, representing an increase of 0.6% as compared to RMB3,433 million in the corresponding period of 2024, with no significant change as compared to the previous year.

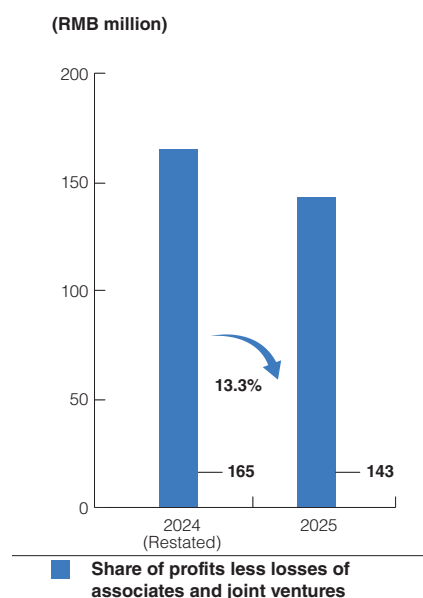
Net finance expenses are set out in the diagram below:



Share of profits less losses of associates and joint ventures

The Group's share of profits less losses of associates and joint ventures amounted to RMB143 million in 2025, representing a decrease of 13.3% as compared to RMB165 million in 2024, which was mainly due to the decrease in net profit at Yantai Longyuan Power Technology Co., Ltd.

Share of profits less losses of associates and joint ventures is set out in the diagram below:

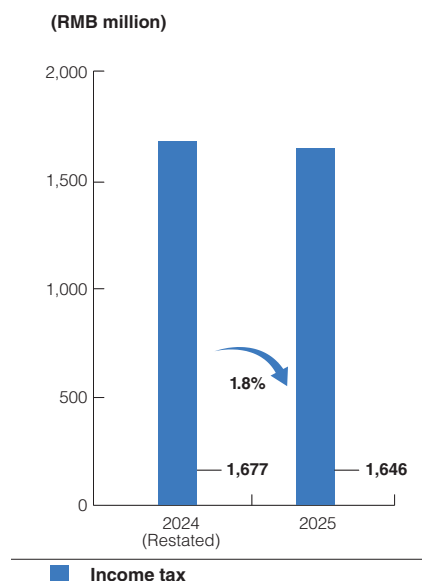


MANAGEMENT DISCUSSION AND ANALYSIS

Income tax

Income tax of the Group amounted to RMB1,646 million in 2025, representing a decrease of 1.8% as compared to RMB1,677 million in 2024, with no significant changes as compared to the previous year.

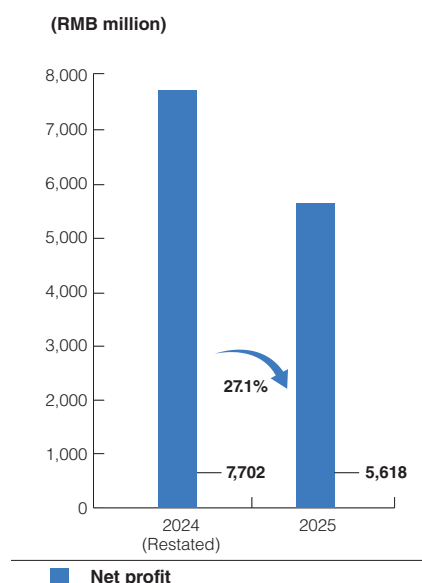
Income tax is set out in the diagram below:



Net profit

Net profit of the Group amounted to RMB5,618 million in 2025, representing a decrease of 27.1% as compared to RMB7,702 million in 2024, mainly due to the decrease in net profit of the wind power segment, which was greater than the increase in net profit of the solar power segment.

Net profit is set out in the diagram below:



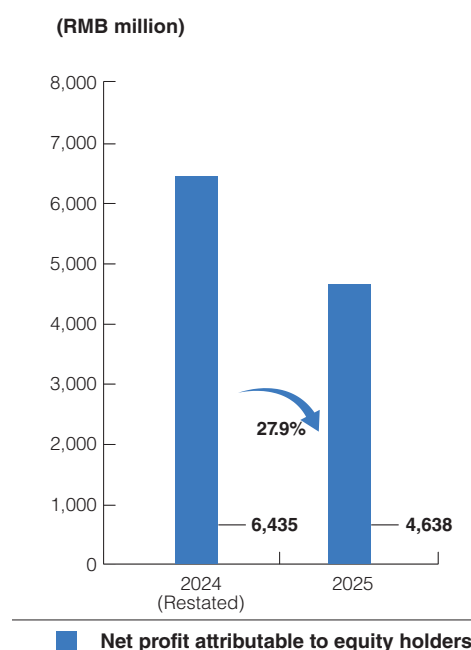
MANAGEMENT DISCUSSION AND ANALYSIS

Overall operations:

Net profit attributable to equity holders of the Company

Net profit attributable to equity holders of the Group amounted to RMB4,638 million in 2025, representing a year-on-year decrease of 27.9%. After excluding the non-recurring impact of RMB504 million in relation to the disposal of the Group's coal power business segment, the net profit attributable to equity holders of the Group recorded a year-on-year reduction of RMB1,293 million, equivalent to a decline of 21.8%. The aforementioned decrease is mainly caused by a slight decline in revenue generated from the Group's new energy power generation business in the year, while operating costs increased in tandem with the expansion of installed capacity, which in turn led to a reduction in operating profit.

Net profit attributable to equity holders of the Company is set out in the diagram below:



MANAGEMENT DISCUSSION AND ANALYSIS

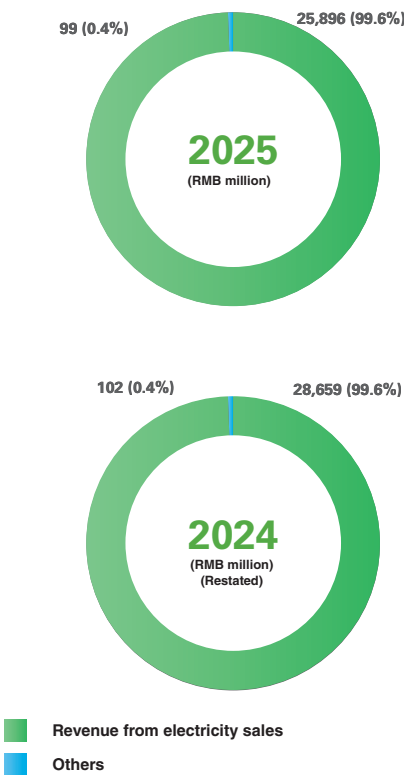
Segment results of operations

Wind power segment

Operating revenue

Operating revenue of the wind power segment of the Group amounted to RMB25,995 million in 2025, representing a decrease of 9.6% as compared to RMB28,761 million in 2024, which was primarily due to the decrease in the average on-grid tariff and the decrease in the average utilization hours.

Operating revenue of the wind power segment and proportions are set out in the diagrams below:

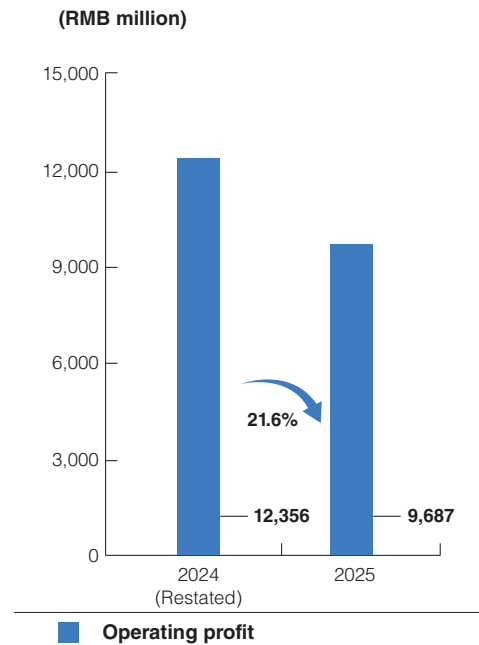


MANAGEMENT DISCUSSION AND ANALYSIS

Operating profit

Operating profit of the wind power segment of the Group amounted to RMB9,687 million in 2025, representing a decrease of 21.6% as compared to RMB12,356 million in 2024, which was primarily due to the decrease in operating revenue of the wind power.

Operating profit of the wind power segment is set out in the diagram below:



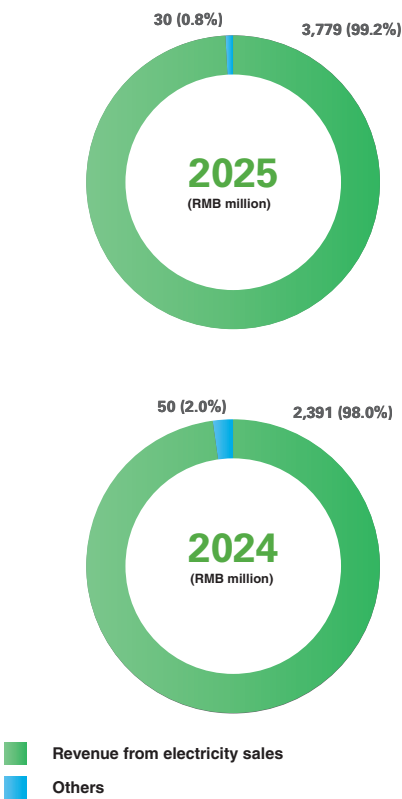
MANAGEMENT DISCUSSION AND ANALYSIS

Solar power segment

Operating revenue

Operating revenue of the solar power segment of the Group amounted to RMB3,809 million in 2025, representing an increase of 56.0% as compared to RMB2,441 million in 2024, which was primarily due to the increase in installed capacity and power generation.

Operating revenue of the solar power segment and proportions are set out in the diagrams below:

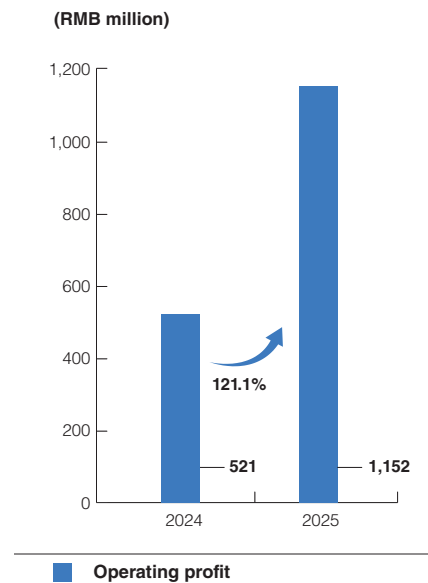


MANAGEMENT DISCUSSION AND ANALYSIS

Operating profit

Operating profit of the solar power segment of the Group amounted to RMB1,152 million in 2025, representing an increase of 121.1% as compared to RMB521 million in 2024, which was primarily due to the significant increase in revenue from electricity sales of solar power segment resulting from the increase in the power generation due to the increase in the installed capacity of solar power segment.

Operating profit of the solar power segment is set out in the diagram below:



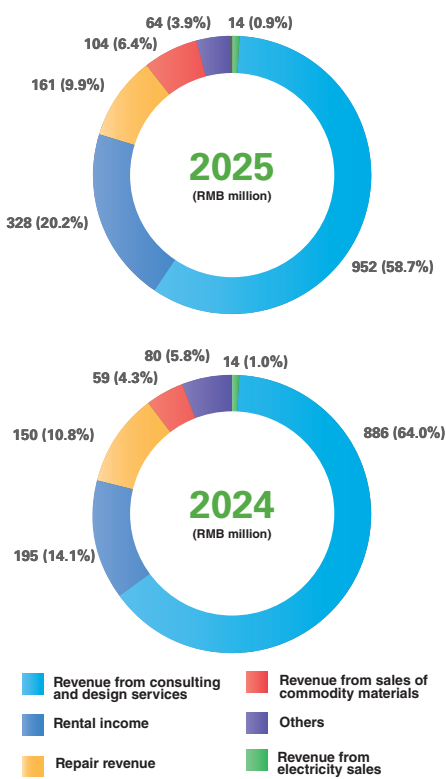
MANAGEMENT DISCUSSION AND ANALYSIS

Other segment

Operating revenue

Operating revenue of other segments of the Group amounted to RMB1,623 million in 2025, representing an increase of 17.3% as compared to RMB1,384 million in 2024, which was mainly due to the increase in revenues from energy storage equipment rental and consulting and design services.

Operating revenue of other segments and proportions are set out in the diagrams below:

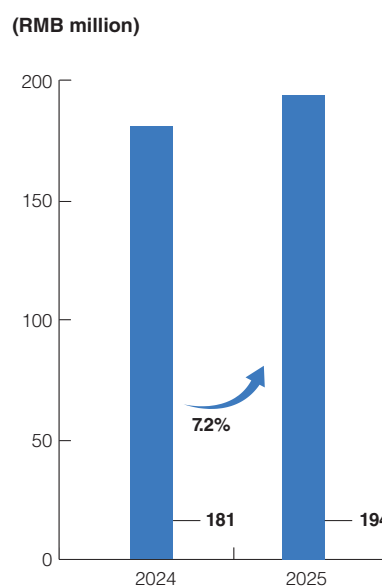


MANAGEMENT DISCUSSION AND ANALYSIS

Operating profit

Operating profit of other segments of the Group amounted to RMB194 million in 2025, representing an increase of 7.2% as compared to those of RMB181 million in 2024, which was mainly due to the increase in revenues from energy storage equipment rental and consulting and design.

Operating profit of other segments is set out in the diagram below:



■ Operating profit

Assets and liabilities

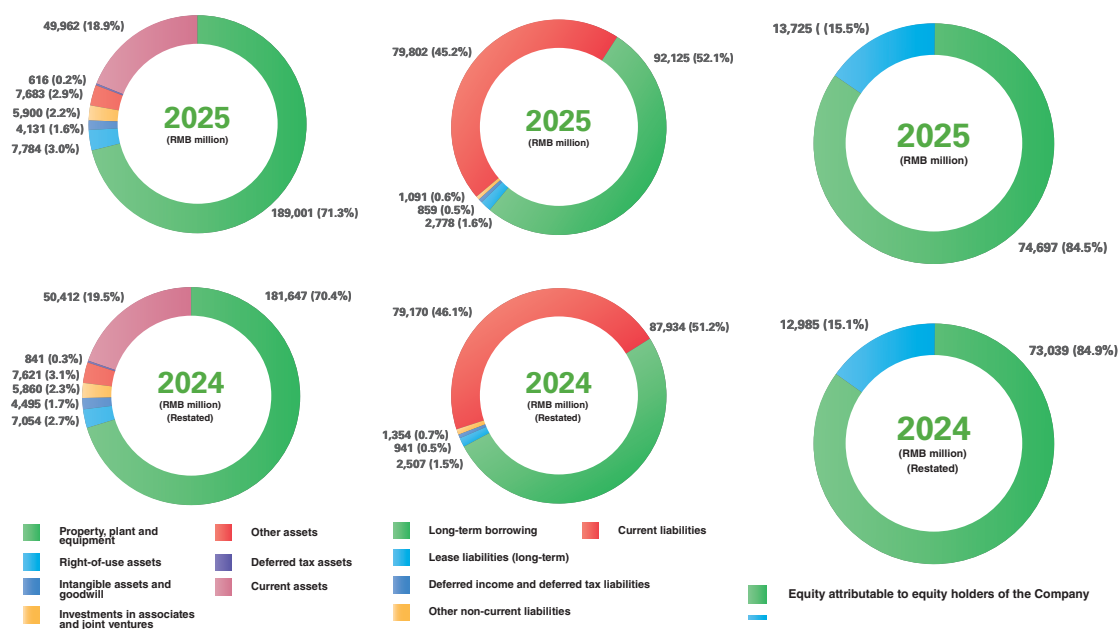
As at 31 December 2025, the total assets of the Group amounted to RMB265,077 million, representing an increase of RMB7,147 million as compared to those of RMB257,930 million as at 31 December 2024. This was primarily due to (1) an increase of RMB7,598 million in non-current assets such as property, plant and equipment; and (2) a decrease of RMB451 million in current assets such as cash at banks.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2025, the total liabilities of the Group amounted to RMB176,655 million, representing an increase of RMB4,749 million as compared to those of RMB171,906 million as at 31 December 2024. This was primarily due to: (1) an increase of RMB4,117 million in non-current liabilities including long-term borrowings; and (2) an increase of RMB632 million in current liabilities including short-term borrowings

As at 31 December 2025, the equity attributable to equity holders of the Company amounted to RMB74,697 million, representing an increase of RMB1,658 million as compared to RMB73,039 million as at 31 December 2024. This was primarily due to: (1) an increase of RMB4,638 million in earnings from business for the year; and (2) a decrease of RMB2,740 million in dividend distribution.

Details of assets, liabilities and equity are set out in the diagrams below:

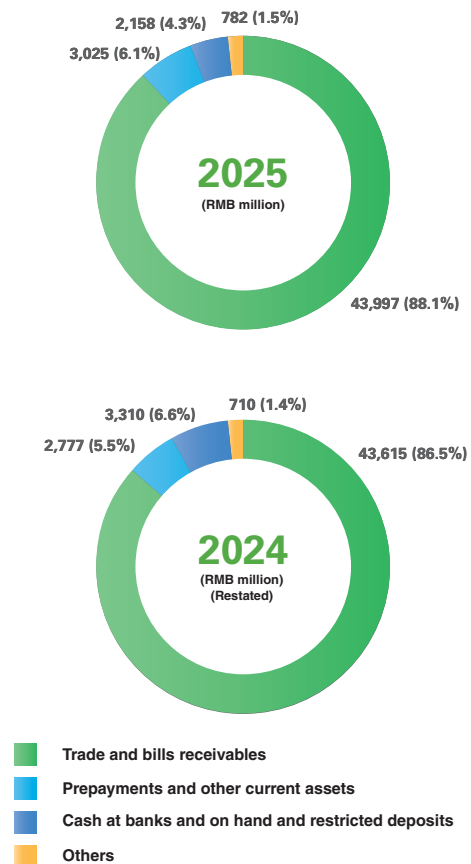


MANAGEMENT DISCUSSION AND ANALYSIS

Capital liquidity

As at 31 December 2025, the current assets of the Group amounted to RMB49,962 million, representing a decrease of RMB450 million as compared to those of RMB50,412 million as at 31 December 2024, which was mainly attributable to the decrease in cash and bank deposits.

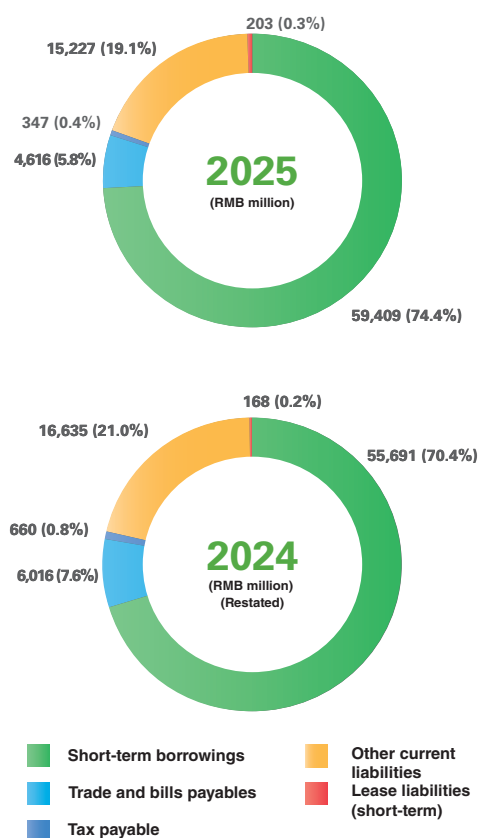
Current assets by item and proportions are set out in the diagram below:



MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2025, the current liabilities of the Group amounted to RMB79,802 million, representing an increase of RMB632 million as compared to those of RMB79,170 million as at 31 December 2024, which was mainly attributable to: the increase in short-term borrowings.

Current liabilities by item and proportions are set out in the diagrams below:



As at 31 December 2025, the net current liabilities of the Group amounted to RMB29,840 million, representing an increase of RMB1,083 million as compared to those of RMB28,757 million as at 31 December 2024; the liquidity ratio was 0.63 as at 31 December 2025, decreased by 0.01 as compared to that of 0.64 as at 31 December 2024. There were no significant changes compared to the previous year.

The restricted deposits amounted to RMB146 million, which mainly represent the performance bond deposits and land reclamation deposits.

Significant investments

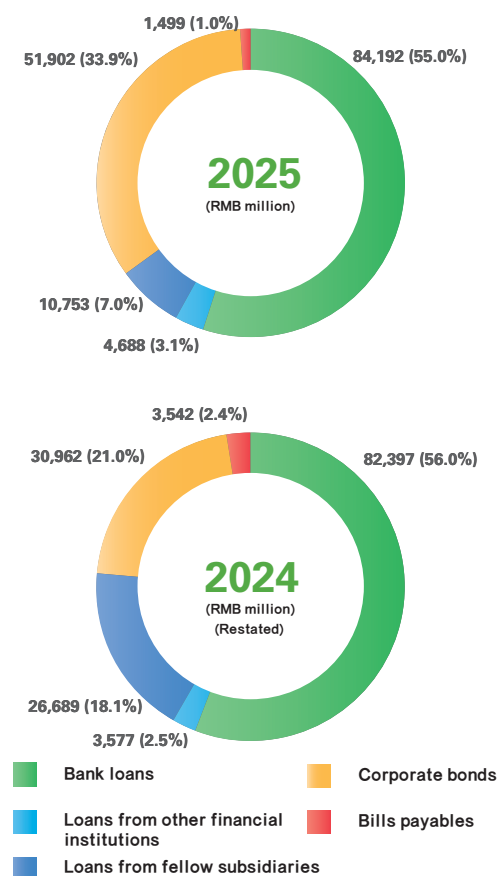
The Group made no significant investments in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Borrowings and Bills Payables

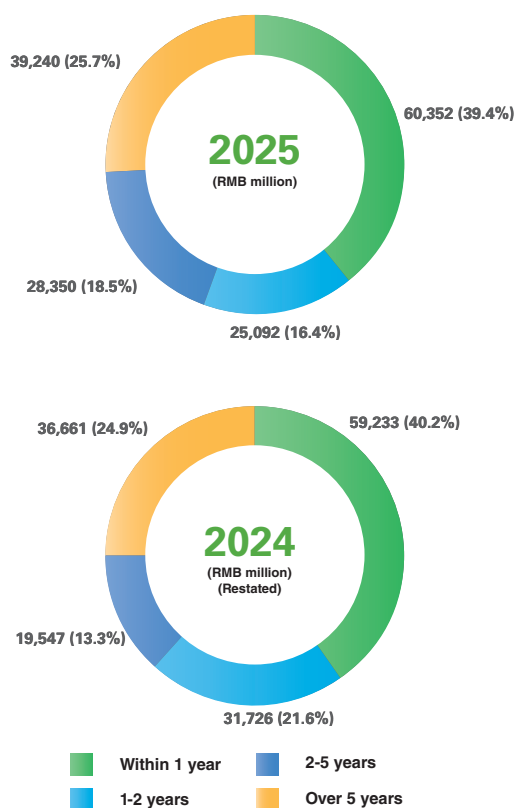
As at 31 December 2025, the balance of borrowings and bills payables of the Group amounted to RMB153,034 million, representing an increase of RMB5,867 million as compared to that of RMB147,167 million as at 31 December 2024. As at 31 December 2025, the Group's outstanding borrowings and bills included short-term borrowings and bills payables of RMB60,908 million (including long-term borrowings due within one year of RMB20,344 million and bills payables of RMB1,499 million) and long-term borrowings of RMB92,125 million (including debentures payables of RMB29,050 million). The above-mentioned borrowings included borrowings denominated in Renminbi of RMB148,476 million, borrowings denominated in U. S. dollars of RMB1,383 million and borrowings denominated in other foreign currencies of RMB1,675 million. As at 31 December 2025, the long-term liabilities with fixed interest rates of the Group included long-term borrowings with fixed interest rates of RMB6,307 million and corporate bonds with fixed interest rates of RMB2,905 million. As at 31 December 2025, the balance of bills payables issued by the Group amounted to RMB1,499 million.

Borrowings and bills payables by type and proportions are set out in the diagrams below:

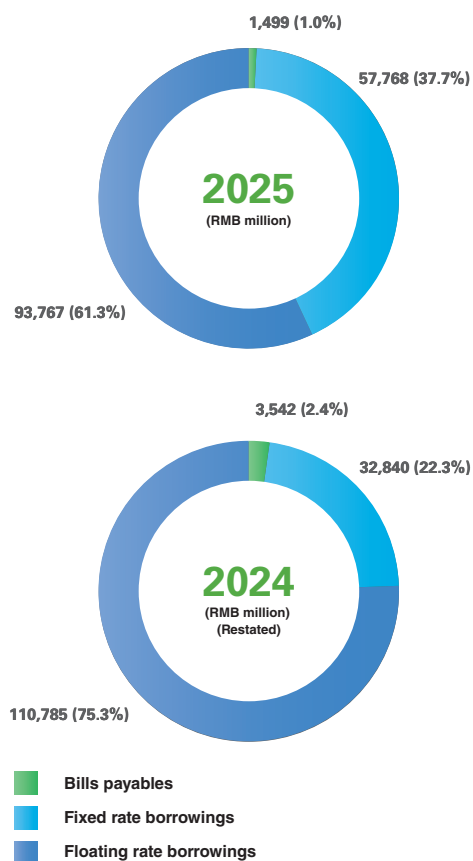


MANAGEMENT DISCUSSION AND ANALYSIS

Borrowings and bills payables by term and proportions are set out in the diagrams below:



The types of interest rate structure of borrowings and bills payables and their respective proportions are set out in the diagrams below:

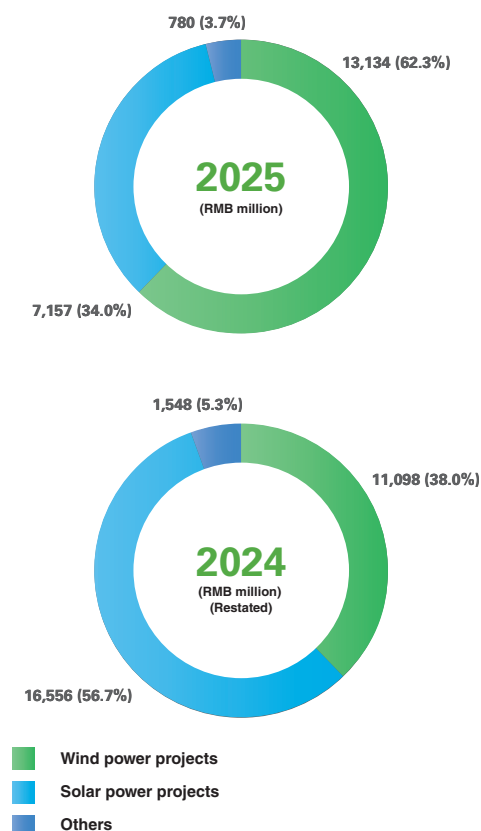


MANAGEMENT DISCUSSION AND ANALYSIS

Capital Expenditure

The capital expenditures of the Group amounted to RMB21,071 million in 2025, representing a decrease of 27.8% as compared to RMB29,202 million in 2024, among which the expenditures for the construction of wind power projects amounted to RMB13,134 million, and the expenditures for the construction of other renewable energy projects amounted to RMB7,937 million. The sources of funds mainly included debt financing.

Capital expenditures classified by use and proportions are set out in the diagrams below:



Net Gearing Ratio

As at 31 December 2025, the net gearing ratio of the Group, which is calculated by dividing net debt (the sum of borrowings and finance lease less cash and cash equivalents) by the sum of net debt and total equity, was 63.3%, representing an increase of 0.8 percentage points from 62.5% as at 31 December 2024. This was primarily due to the increase in debts in 2025 being slightly higher than the total equity.

MANAGEMENT DISCUSSION AND ANALYSIS

Material Acquisitions and Disposals

The Group made no material acquisitions and disposals in 2025.

Pledged Assets

As at 31 December 2025, the property, plant and equipment of the Group with a carrying amount of RMB8,163 million and inventories with a carrying amount of RMB16 million were pledged.

Contingent liabilities/guarantees

As at 31 December 2025, the Group provided a counter-guarantee of no more than RMB14 million to the controlling shareholder of an associate. As at 31 December 2025, the bank loan balance for which the Group provided the counter-guarantee amounted to RMB7 million.

Cash flow analysis

As at 31 December 2025, the bank deposits and cash held by the Group amounted to RMB2,012 million, representing a decrease of RMB1,140 million as compared to RMB3,152 million as at 31 December 2024, which was mainly due to the payments for acquisition of non-current assets during the year. The principal sources of funds of the Group included self-owned funds and external borrowings. The Group mainly used the funds for capital turnovers, construction of projects, and acquisition and disposal of subsidiaries.

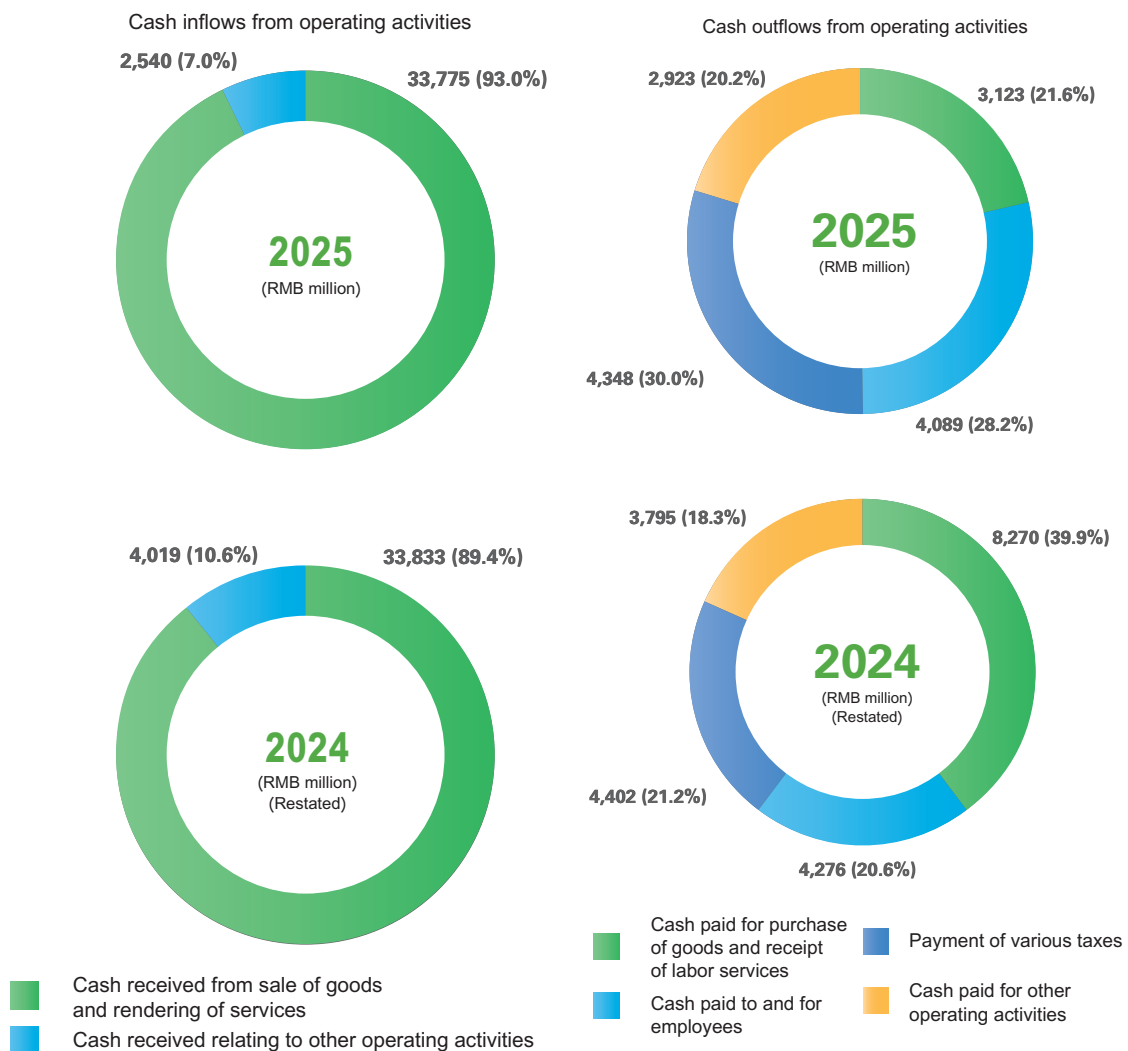
The net cash inflow from the Group's operating activities amounted to RMB21,833 million in 2025, representing an increase of RMB4,724 million as compared to RMB17,109 million in 2024, which was mainly due to the increase in sales of electricity and cash received from rendering of services during the year.

The net cash outflow from the Group's investing activities amounted to RMB23,581 million in 2025. The cash outflow from investing activities was mainly used for the acquisition of non-current assets. It represents a decrease of RMB2,504 million as compared to RMB26,085 million in 2024, which was mainly due to the decrease in payments for acquisition of non-current assets.

MANAGEMENT DISCUSSION AND ANALYSIS

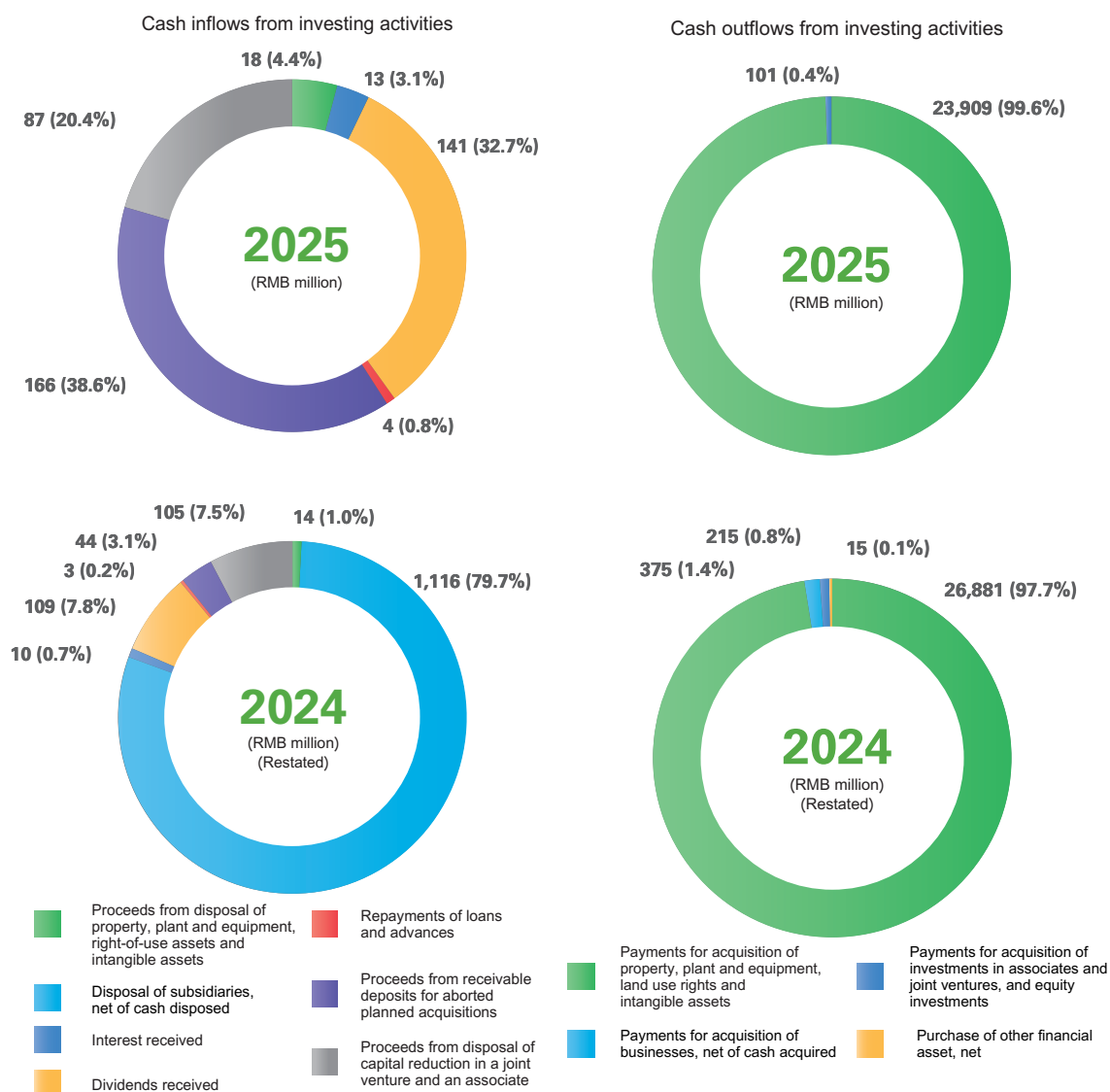
The net cash inflow from the Group's financing activities amounted to RMB758 million in 2025. The cash inflow from financing activities was mainly generated from bank loans. The cash outflow from financing activities was primarily used for repayment of borrowings and payments of interest of borrowings. The net cash flow from the Group's financing activities represents a decrease of RMB6,553 million as compared to RMB7,311 million in 2024.

Cash inflows from operating activities and cash outflows from operating activities are set out in the diagrams below:



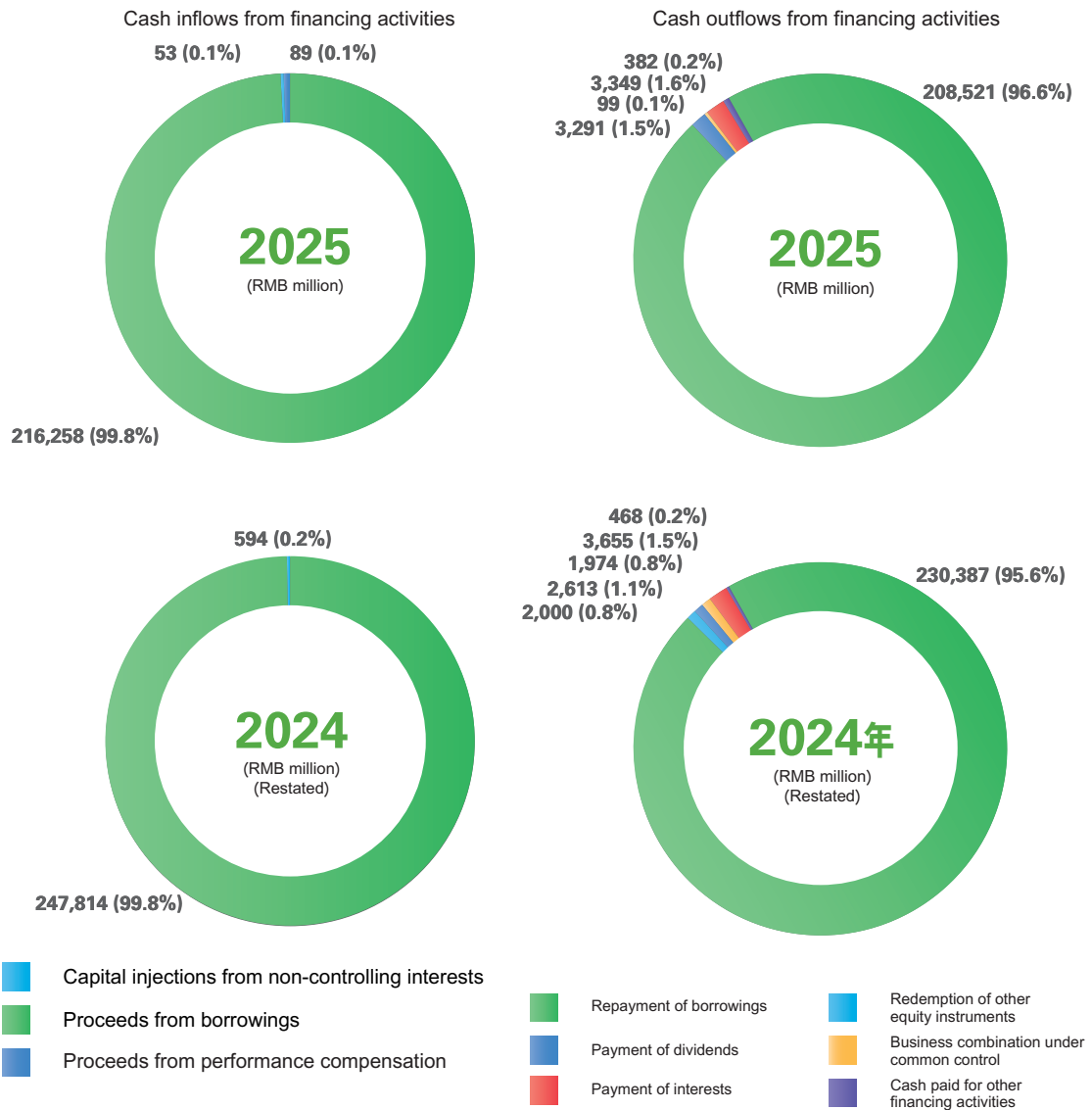
MANAGEMENT DISCUSSION AND ANALYSIS

Cash inflows from investing activities and cash outflows from investing activities are set out in the diagrams below:



MANAGEMENT DISCUSSION AND ANALYSIS

Cash inflows from financing activities and cash outflows from financing activities are set out in the diagrams below:



MANAGEMENT DISCUSSION AND ANALYSIS

IV. RISK FACTORS AND RISK MANAGEMENT

1. Resource risk and countermeasures

The major resource risk confronted by the wind and solar power industry is the annual fluctuation of wind and solar resources, which is represented by the higher power generation in years of high wind and solar resources and the lower power generation in years of low wind and solar resources than that in normal years. On the vast territory of our nation which covers a wide span of areas, there is a great variation in climate conditions in different regions. To be specific, different areas can experience different climate characteristics of the years of high or low wind and solar resources at the same time. In 2025, the annual total solar radiation in most provinces (including autonomous regions and municipalities) in China was at normal levels, and power generation was also at normal levels. However, the average wind speed at Longyuan Power's wind farms was 0.25 meters per second lower than the long-term average, resulting in slightly lower power generation compared to previous years.

In response to different climate conditions in different regions, the Group carried out the nationwide dispersed layout to reduce investment risks. As of the end of 2025, the Group had power generation businesses in 31 provinces, autonomous regions and municipalities in China, covering all regions except for Hong Kong, Macau and Taiwan and formulating an increasingly optimized and rational project layout. In the future, the Group will further balance the project development ratio in the regions subject to the impact of different climatic conditions.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Policy risk and countermeasures

At present, the national unified power market has been initially established, the “1+6” market basic rule system has been constructed, the operation of provincial spot markets has basically achieved full coverage, State Grid and China Southern Power Grid have established a normalized cross-operating area trading mechanism, and the market-oriented reform of new energy grid-connected electricity prices has been fully promoted. It is expected that during the “15th Five-Year Plan” period, the national unified power market will continue to deepen its development, the medium and long-term and spot markets, intra-provincial and inter-provincial markets, electricity energy, auxiliary services and capacity markets will accelerate the connection and integration, promoting all types of power sources and all users to enter the market, the market mechanism will be more mature and efficient, the market rules will be more unified and coordinated, and market competition will become more sufficient and fierce.

The Group will continuously follow relevant national policies, continue to conduct in-depth analysis of the new energy power market and research on trading policies, assess the situation and opportunities, judge the impact of policies, take effective measures to strive to overcome the downward pressure on electricity prices, and guide the implementation of favorable policies. According to the characteristics and rules of new energy power trading, it will strengthen the full-link management of market-oriented new energy trading decisions, declarations and settlements, actively adapt to external changes, and enhance internal motivation.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Risks relating to power grids and countermeasures

During the 14th Five-Year Plan period, the scale of new energy grid integration has seen significant growth. However, the increase in power demand and the improvement of system regulation capabilities have been relatively slow. In certain regions, as the installed capacity of new energy continues to grow, the inadequacies in the speed and stability of power grid construction have become increasingly pronounced. The development of sources, grids, loads, and storage is becoming more imbalanced, and the mismatch between grid carrying capacity and regulation capability is becoming increasingly prominent, posing challenges to the safe and stable operation of the power system and the efficient integration of new energy.

The Group will, based on the unique characteristics and conditions of each region, further strengthen communication and collaboration with government authorities and grid dispatchers. The Group will proactively expand channels for new energy consumption, strengthen the development of its marketing team and enhance its marketing capabilities, and actively promote the optimization and improvement of local grid structures to better meet the needs of new energy development.

4. Internationalization risks and countermeasures

At present, the external environment is complex and severe, with dual volatility in the geopolitical and economic patterns, intensified energy games among major nations, and severe impacts on the global energy and supply chain order. The international economic order is turbulent, coupled with the risk of decoupling forcing the restructuring of the supply chain, globalization has encountered obstacles and regional grouping has risen; Sino-US relations are intertwined with competition and cooperation, with the US imposing additional tariffs on China, but the two sides still have cooperation in areas such as climate. The geopolitical pattern is undergoing in-depth adjustments, the Russia-Ukraine conflict has lasted for four years, geopolitical risks are constantly rising. Regional unrest not only undermines regional stability, but also easily triggers fluctuations in the global energy market and humanitarian crises, seriously impacting the layout of transnational energy projects. Competition in the new energy field has intensified, with the resonance of global energy transformation and energy crisis, international energy giants are accelerating the competition for wind, solar and energy storage resources, the Middle East has emerged as the world's fourth largest new energy growth market, and regional bidding competition is fierce.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group will coordinate the risk prevention and control of overseas preliminary, under-construction and in-operation projects, continuously improve the risk control and compliance system, and enhance management efficiency. It will continue to explore project resources through multiple channels, control development risks from multiple dimensions, cautiously expand the scope of key concerned country markets, rolling update the “one country, one policy” development strategy, effectively improve project execution capacity, and ensure the mature implementation of high-quality projects. The Group will strengthen the tracking and judgment of the Russia-Ukraine conflict situation and the risk prevention and control of Ukrainian projects, closely connect with relevant ministries and commissions, and simultaneously do a good job in the localized operation and maintenance of in-operation projects. It will consolidate the safety line of overseas personnel, strictly prevent the occurrence of safety incidents, and promote overseas subsidiaries to carry out emergency drills and safety risk assessments as planned.

5. Risk in production and countermeasures

Since its establishment in 1993, the Group has been committed to the development, operation, and management of new energy. With the increase in operating years, the equipment put into production in the early stages gradually exposed problems such as increased wear on mechanical components, higher failure rates of electrical components, and aging of consumables, resulting in certain safety risks.

MANAGEMENT DISCUSSION AND ANALYSIS

To cope with the risk of equipment aging, the Group strengthens the full-life cycle management of equipment through intelligent means and constructs a multi-dimensional risk prevention and control system. On the one hand, it dynamically monitors equipment operation relying on technologies such as intelligent monitoring, condition assessment and point inspection, optimizes system performance through thematic analysis and technical research, ensures equipment reliability through standardized maintenance management and priority maintenance of key equipment, and simultaneously promotes the renovation and upgrading of old wind farms and unit life extension work to ensure safe and efficient operation throughout the life cycle. On the other hand, the Group deepens the equipment responsibility system, improves the management specifications of unattended stations, reduces external contractors through centralized procurement optimization, independent operation and maintenance capacity improvement and technological empowerment, establishes maintenance standards for all machine types and adds specifications for models above 2MW, promotes the application of 3 new technologies such as bolt axial force detection, upgrades the production monitoring system relying on the new energy data center, expands the application of the “Qingyuan” large model in 15 scenarios, promotes the construction of 30 smart power stations, and constructs a multi-modal three-dimensional inspection mechanism to comprehensively improve the intrinsic safety level of equipment and the intelligent level of operation and maintenance.

6. Exchange rate and interest rate risks and countermeasures

The Group does not have significant credit or liquidity risks. The Group faces interest rate risk related to cash and bank balances, as well as bank borrowings, with an overall low level of interest rate risk and basically no significant risks. The Group holds foreign currency deposits in banks, and the overall risk is controllable. The Group manages foreign exchange risk by closely monitoring changes in foreign currency exchange rates and will take prudent measures to minimize currency translation risk.

MANAGEMENT DISCUSSION AND ANALYSIS

V. OUTLOOK IN 2026

1. Outlook for Domestic and Foreign Operating Environments

Globally, the energy landscape is undergoing profound changes, with opportunities and challenges intertwined in the development of renewable energy. The 30th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP30) achieved a package of outcomes, clarifying key global renewable energy development goals, effectively promoting the acceleration of energy transformation, and the new global installed capacity of renewable energy continues to rise. Major economies continue to strengthen policies: the EU upgrades its renewable energy policy system and clarifies development goals in conjunction with the carbon reduction action plan; US policies are volatile, adjusting the industrial structure through tariffs and barriers; China upgrades its policy framework and announces a new round of nationally determined contributions to point out the direction for industrial development. International cooperation in renewable energy continues to deepen, green energy cooperation under the “Belt and Road” Initiative has entered a high-quality stage, and China has carried out cooperation with many countries to help enterprises “go global”; energy cooperation under the Shanghai Cooperation Organization framework has heated up, with frequent multilateral and bilateral technical exchanges, and green energy has become a consensus for cooperation. However, challenges remain prominent: the energy transition has become increasingly geopolitical in nature, and the divergence in major-country strategies has weakened governance synergy; trade protectionism is escalating, green investment barriers are increasing, impacting the stability of the industrial chain; the industry itself faces governance problems such as overcapacity and risks, and the problem of unbalanced regional development needs to be addressed urgently.

MANAGEMENT DISCUSSION AND ANALYSIS

Domestically, the dual carbon goals have released policy dividends, and the domestic new energy business environment has shown common characteristics of policy guidance, demand growth and optimized competition. At the policy level, Document No. 136 promotes the market-oriented trading of electricity prices, coupled with mechanism-based pricing and electricity volumes to safeguard project returns, supporting policies in various regions are implemented differently, and at the same time, the “anti-involution” policy curbs low-price competition and guides the exit of production capacity and technological upgrading. On the demand side, the long-term space is broad. During the “15th Five-Year Plan” period, the annual newly added installed capacity of wind power and photovoltaic power will exceed 200 GW. The offshore wind power has become a growth driver due to streamlined approval and prominent economic benefits, and new business models emphasizing distributed generation and local consumption are receiving policy support. In terms of competition patterns, the industry concentration has increased, the leading effect of wind power main engine manufacturers and photovoltaic module manufacturers has emerged, technological iteration has accelerated, the slowdown of wind power large-scale development has promoted profit recovery, and new technologies such as photovoltaic perovskite have reshaped the competition pattern. Although attention still needs to be paid to risks such as policy changes, fluctuations in raw material prices, consumption pressure and intensified industry competition, overall, driven by policy support, demand growth and technological upgrading, the domestic new energy industry has significant long-term development potential.

2. Operation Targets of the Company in 2026

The year 2026 is the first year of the “15th Five-Year Plan”. The Group will fully implement the work requirements of “pursuing progress while ensuring stability, enhancing quality and efficiency, maintaining balanced coordination, and adopting tailored measures”, the special deployment of the “Management Enhancement Year” and the work arrangement of “five focuses”, closely adhere to the main line of “three stabilities, four improvements and five leaderships”, and focus on implementing seven key campaigns. In 2026, the Group plans to commence construction on 4.5 million kW of new energy projects and to bring 4.5 million kW into operation.

MANAGEMENT DISCUSSION AND ANALYSIS

1. **Implement the “strengthening roots and forging soul” campaign to reinforce the leading guarantee of Party building**

The Group will promote comprehensive and strict governance of the Party with greater efforts, thoroughly practice the great call of “socialism is achieved through practice”, effectively give play to the role of the Party Committee in steering the direction and controlling the overall situation, deeply integrate Party leadership into the entire process of governance, and ensure effective implementation. The Group will forge a highly capable team of cadres with stricter standards, create a favorable environment that encourages entrepreneurship and allows everyone to fully utilize their talents, and deeply implement the talent-strong enterprise strategy. It will cultivate a clean and upright environment with a better ecology, promote the connection and integration of internal Party supervision and business supervision, and ensure standardized development.

2. **Implement the “consolidating foundations and strengthening safety” campaign to build the leading cornerstone of safety and environmental protection**

The Group will continue to promote the implementation of the system and promote the transformation of safe production management to pre-prevention, deepen the application of the digital platform to realize data-driven risk early warning, process control and closed-loop management, improve the coordinated ecological and environmental governance mechanism, deeply integrate green development requirements into the entire life cycle of projects, and form a closed-loop of environmental protection responsibilities across the entire project chain. The Group should become more intelligent in risk prevention and control, promote the upgrading of regulatory capacity, deepen the coordinated operation of the “four-in-one” of law, compliance, internal control and risk, and build a more intelligent and efficient modern risk control system.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Implement the “refining generation and scaling new height” campaign to consolidate the leading support of efficiency and benefits

The Group will pursue efficiency through the marketization of production and operation, further promote the coordination of production and sales, continuously strengthen operation management and equipment governance, and build a differentiated high-standard and highly adaptable operation and maintenance system. The Group will pursue benefits through the coordination of marketing, strengthen strategic guidance, forge precise trading capabilities of volume-price coordination, establish an agile strategy system of “site-specific strategy and time-of-use pricing”, coordinate the medium and long-term, spot and auxiliary service markets, actively strive for green power trading premiums, increase the sales of green certificates, and convert green advantages into economic benefits. It will pursue value through strategic financial management, build a four-layer analysis framework of “strategy – operation – project – risk”, create models around key scenarios such as project investment calculation and electricity price fluctuation impact, comprehensively optimize the layout of funds and capital, make good use of favorable policies on the basis of tax compliance, and ensure the implementation of the strategy with lean and efficient financial control.

MANAGEMENT DISCUSSION AND ANALYSIS

4. Implement the “steady growth” campaign to cultivate the leading advantages of scale and quality

The Group will adhere to strategic orientation, accurately layout to expand increments, systematically and prospectively seize high-quality resources, fully promote the implementation of “15th Five-Year Plan” large-scale base projects, consolidate and expand the advantages of offshore projects, and explore integrated paths such as hydrogen-based energy and zero-carbon parks. The Group will optimize the development model, systematically manage to increase benefits, improve resource integration and policy research capabilities, flexibly use means such as replacing small with large, industrial coordination and resource replacement to improve the quality and efficiency of resource acquisition, and ensure high-quality and efficient projects. It will focus on project tackling, efficiently construct to improve quality, implement node-based and list-based management around key links of project construction, deepen the “124 + N” full-life cycle cost control, fully implement the refined management of “two charts and four tables”, strengthen design optimization and equipment supervision, and strive to build “six excellences” high-quality projects and national and industry high-quality projects.

MANAGEMENT DISCUSSION AND ANALYSIS

5. Implement the “innovation sourcing” campaign to enhance the leading momentum of green technology

The Group will intensify the layout of technological innovation, tackle key technologies restricting development and operation, focus on the layout of deep and open sea resources, and accelerate the research on core technologies such as offshore flexible DC transmission and ultra-large wind turbines with typhoon resistance. The Group will focus on the development of “shagehuang” large-scale bases, deepen the research on key technologies such as multi-energy complementarity and grid-forming energy storage support, and reserve core competitiveness for project development. It will intensify the deepening of digital empowerment, iterate the “Qingyuan” large model, and promote multi-modal three-dimensional inspection models such as drones and robots. It will formulate group standards for the inclusion of new energy data in the balance sheet, standardize the inclusion process, and unlock the value of technological capabilities through the digitalization of industries.

6. Implement the “modern governance” campaign to improve the leading efficiency of value creation

The Group will deepen reforms to tackle critical challenges, release the internal vitality of the governance mechanism, strengthen the benefit orientation of “volume-price coordination”, take the guaranteed electricity volume and electricity price as the basic indicators, the sales income as the core indicator, explore a comprehensive assessment mechanism oriented to maximizing operating income, and fully stimulate the enthusiasm of all units to increase income and create benefits. The Group will strengthen capital-driven, fully leverage the market driving force of the listing platform, consolidate the foundation of compliant information disclosure, create brand investor relations projects, and construct an ESG project evaluation system.

MANAGEMENT DISCUSSION AND ANALYSIS

7. Implement the “overseas excellence” campaign to demonstrate the leading responsibility of strategic value

The Group will focus on strategic deep cultivation, achieve steady breakthroughs in key regions, create in-depth cultivation models such as South Africa, conduct in-depth research on national policies and market rules, realize the transformation from “opportunity acquisition” to “systematic operation”, and consolidate the geopolitical foundation of global business. The Group will consolidate the support system, form systematic guarantees in professional capabilities, accelerate the improvement of systems and processes covering the entire cycle of investment, construction, operation, management and control, vigorously implement the international talent foundation project, give full play to the functions of overseas financing platforms such as its subsidiary Hero Asia in Hong Kong, and innovate the use of green financial tools. It will strengthen collaborative linkage, play a platform role in ecological construction, strengthen internal coordination within the CHN, deepen strategic cooperation with domestic leading equipment manufacturers and engineering companies, and actively participate in international energy governance dialogues.

DIRECTORS' REPORT

The Board of Directors of the Company hereby presents to the Shareholders the report and the audited financial statements for the year ended 31 December 2025 (the “**Financial Statements**”).

BOARD OF DIRECTORS MEETING

During the Reporting Period, eight Board meetings were held and a total of 79 resolutions of the Board were approved:

- The 2025 first meeting of the fifth session of the Board was held on 28 March 2025, at which thirty-five resolutions were considered and approved.
- The 2025 second meeting of the fifth session of the Board was held on 28 April 2025, at which two resolutions were considered and approved.
- The 2025 third meeting of the fifth session of the Board was held on 17 June 2025, at which two resolutions were considered and approved.
- The 2025 fourth meeting of the fifth session of the Board was held on 19 August 2025, at which twelve resolutions were considered and approved.
- The 2025 fifth meeting of the fifth session of the Board was held on 10 October 2025, at which five resolutions were considered and approved.
- The 2025 first meeting of the sixth session of the Board was held on 29 October 2025, at which fourteen resolutions were considered and approved.
- The 2025 second meeting of the sixth session of the Board was held on 14 November 2025, at which five resolutions were considered and approved.
- The 2025 third meeting of the sixth session of the Board was held on 23 December 2025, at which four resolutions were considered and approved.

DIRECTORS' REPORT

During the Reporting Period, Directors' attendance at the Board meetings is as follows:

Name	Position in the Company	Number of Meetings Attended/ Due to Attend	Attendance Rate
Gong Yufei	Chairman of the Board, Executive Director	8/8	100%
Wang Liqiang	General Manager, Executive Director	8/8	100%
Wang Xuelian	Non-executive Director	8/8	100%
Chen Jie	Non-executive Director	5/5	100%
Zhang Tong	Non-executive Director	8/8	100%
Wang Yong	Non-executive Director	8/8	100%
Liu Jintao	Employee Director	3/3	100%
Michael Ngai Ming Tak	Independent Non-executive Director	8/8	100%
Gao Debu	Independent Non-executive Director	8/8	100%
Zhao Feng	Independent Non-executive Director	8/8	100%

Notes:

1. Ms. Chen Jie resigned as a Non-executive Director of the Company due to the expiration of her term on 29 October 2025.
2. Mr. Liu Jintao was appointed as an Employee Director of the Company on 29 October 2025.

DIRECTORS' REPORT

SHARE CAPITAL

As at 31 December 2025, the total share capital of the Company was RMB8,359,816,164, divided into 8,359,816,164 shares with a par value of RMB1.00 each, including 5,041,934,164 A shares and 3,317,882,000 H shares. Details of movements in the share capital of the Company during the year are set out in Note 36(c) to the Financial Statements.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company during the year ended 31 December 2025 (including sales of treasury shares (as defined in the Listing Rules)). As at the end of the Reporting Period, there were no treasury shares held by the Company or its subsidiaries.

PRE-EMPTIVE RIGHTS

Pursuant to the Articles of Association and the laws of the PRC, the Company is not subject to any pre-emptive rights requiring it to issue new shares to its existing Shareholders in proportion to their shareholdings.

PRINCIPAL BUSINESS

The Group is principally engaged in the design, development, construction, management and operation of new energy generation projects including wind and solar power and the sales of electricity to the local grid companies. Details of major subsidiaries and associates of the Company are set out in Notes 20 and 21 to the Financial Statements respectively.

BUSINESS REVIEW

In 2025, the Group followed strictly the Company Law of the PRC (《中華人民共和國公司法》), the Securities Law of the PRC (《中華人民共和國證券法》), the Civil Code of the PRC (《中華人民共和國民法典》), the Law of the People's Republic of China on the State-Owned Assets of Enterprises (《中華人民共和國企業國有資產法》), the Electricity Law of the PRC (《中華人民共和國電力法》), the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Forest Law of the People's Republic of China (《中華人民共和國森林法》), the Labour Law of the PRC (《中華人民共和國勞動法》), Administrative Measures for the Legal Disclosure of Corporate Environmental Information (《企業環境信息依法披露管理辦法》) and other relevant laws and regulations as well as environmental policies in China. The Group was not involved in any serious violation of laws or regulations during the Reporting Period.

DIRECTORS' REPORT

RELATIONS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group had no material or major disputes with its suppliers and customers in 2025.

RELATIONS WITH EMPLOYEES

The Group has maintained friendly relationships with the employees. It improved the working environment and living conditions for the front-line production staff, expanded the frontline work in distressed regions into the advanced study and recreation systems for model workers and thoroughly implemented the system of employee fraternal funds, which enhanced the staff's sense of belonging and the enterprise cohesiveness.

RELATIONS WITH SUPPLIERS

In 2025, the Group continued to attach great emphasis on good cooperative relationships with major suppliers in the industry. The management frequently communicated, exchanged opinions, and discussed cooperative relations with them, so as to achieve the goal of long-term cooperation and win-win results. The Group attracted strong suppliers to participate in the competition and cooperation by adopting centralized bundling, entering into long-term agreements and other centralized procurement methods, so as to ensure good brand quality at the source of procurement while reasonably saving cost.

The Group selects its suppliers in a completely competitive manner. It does not make statistics on the number of suppliers by region, conducts monthly tracking performance evaluation on engineering suppliers, gives an annual comprehensive scoring evaluation on engineering, material and service suppliers, adds the content of the annual ESG evaluation, and sets up a warning and no-access mechanism for dishonest suppliers, thus selecting a group of quality suppliers through long-term cooperation.

The Group strengthens the requirements on quality, environmental protection and social responsibility of suppliers in procurement, and requires suppliers to have relevant certifications of quality management system, environmental management system and occupational safety and health management system in major bid sections. At the same time, bidders for major construction bid sections were required to focus on the environmental protection and safety measures, and this content was included in the selection system, so as to promote the use of more green and environmental protection products and services. In addition, in the course of the implementation of contracts, an on-site supervision or manufacturing supervision management system was maintained for the construction and the major equipment bid sections.

DIRECTORS' REPORT

RELATIONS WITH CUSTOMERS

The Group attaches great importance to customer relationships, always adheres to a customer-centric approach in power marketing, promptly analyzes and addresses customer opinions, deeply explores customer needs, continuously improves service quality, and steadily enhances customer satisfaction.

For details of the relations with employees, suppliers and customers, please refer to the 2025 Sustainability Report.

ENVIRONMENT-RELATED PERFORMANCE AND POLICIES

The Company conducts environmental protection work based on the principles of green development, protection first, compliance with laws and regulations, and full-cycle management. It closely follows national major strategies, adheres to the new development concept, promotes high-quality development, and implements the requirements of national ecological and environmental protection laws, regulations and standards as well as ecological and environmental social responsibilities. For new projects, surveys on the occupation of ecological protection red lines are conducted to strictly avoid ecological protection red lines, nature reserves, important wetlands and areas within key state-owned forest and grassland lands where construction is prohibited. In the preliminary decision-making of projects, the review of resource and environmental administrative licensing procedures and key contents such as environmental impact assessment, water and soil conservation, water intake and land use is strengthened. The “three simultaneous” system for environmental protection and water and soil conservation is strictly implemented, and special due diligence investigations on ecological and environmental protection for M&A projects are carried out. The Group adheres to the coordinated linkage of project development, engineering construction, production and operation to ensure the orderly and compliant environmental protection management. For details of environment-related performance and policies, please refer to the 2025 Sustainability Report.

MATERIAL LITIGATION

As of 31 December 2025, the Group has not been involved in any material litigation or arbitration. As far as the Directors are aware, there is no material litigation or claim of material importance pending or threatened against the Group.

DIRECTORS' REPORT

PERFORMANCE

The audited results of the Company and its subsidiaries for the year ended 31 December 2025 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on pages 205 to 207. The financial position of the Company and its subsidiaries as at 31 December 2025 is set out in the Consolidated Statement of Financial Position on pages 208 to 210. The consolidated cash flows of the Company and its subsidiaries for the year ended 31 December 2025 are set out in the Consolidated Statement of Cash Flows on pages 213 to 217.

A discussion and analysis of the Company's performance during the year and the material factors underlying its results and financial position are set out in the Management Discussion and Analysis on pages 26 to 93 in this annual report.

PROFIT DISTRIBUTION

Pursuant to the regulations of the relevant laws of the People's Republic of China, the laws and regulations of the Company's listed places, regulatory requirements and the Articles of Association, the Company has formulated the following profit distribution policies:

- I. The Company may distribute dividend in the form of (or take two forms at the same time): 1. cash; 2. shares.
- II. When the Company distributes the after-tax profits of the relevant accounting year, the profit shall be distributed based on the after-tax profits in the financial statements prepared in accordance with PRC Accounting Standards for Business Enterprises ("**PRC GAAP**") and the financial statements prepared in accordance with IFRS Accounting Standards, whichever is less.
- III. When the Company distributes the after-tax profits of the current year, it shall withdraw 10% of the profits into the Company's statutory reserve. If the accumulated amount of the Company's statutory reserve amounts to more than 50% of the Company's registered capital, it may no longer be withdrawn.

If the Company's statutory reserve is not sufficient to offset the losses of the previous year, it shall first use the current year's profit to offset the loss before drawing the statutory reserve in accordance with the provisions of the previous terms.

DIRECTORS' REPORT

After the Company withdraws the statutory reserve from after-tax profits, it can also withdraw discretionary surplus reserve from after-tax profits after passing a resolution in the general meeting.

After the Company offsets the losses and withdraws the reserve, the remaining after-tax profits shall be distributed to the Shareholders in proportion to their shareholdings.

If the general meeting violates the provisions of the previous terms and distributes profits to Shareholders before the Company offsets losses and withdraws statutory reserve, the Shareholders must return the profits distributed in violation of the regulations to the Company.

The shares held by the Company are not subject to in the distribution of profits.

- IV. The Company pays dividends and other payments to holders of A shares, which are denominated and declared in RMB, and are paid in RMB within two months after the date of the approval of the dividend proposal at the general meeting. The Company pays dividends and other payments to holders of foreign shares, which are denominated and declared in RMB, and are paid in foreign currency within two months after the date of the approval of the dividend proposal at the general meeting. The exchange rate is calculated based on the average closing price of the relevant foreign currency against the Renminbi announced by the People's Bank of China five working days before the date of the declaration of dividends or other distributions, and the foreign currency paid to the holders of foreign shares by the Company should be handled in accordance with the regulations of relevant foreign exchange management in China. The distribution of Company dividends is implemented by the Board authorized by the general meeting through ordinary resolutions.
- V. Pursuant to the regulations of the prevailing Enterprise Income Tax Law of the PRC and its implementation rules, the Company will withhold and pay income tax on behalf of these Shareholders when distributing the dividend in accordance with relevant regulations.

DIRECTORS' REPORT

- VI. The Company's profit distribution policy aims at maximizing the value of the Company and the interests of Shareholders, in order to continuously and stably provide reasonable return on investment to Shareholders of the Company. The Company's Board will comprehensively consider the Company's operating conditions, financial performance, cash flow conditions, investment demands and future development plans, and decide whether to recommend the distribution of dividends and determine the amount of dividends. The Company intends to distribute dividends to Shareholders after each accounting year, and may also pay interim dividends or distribute special dividends at appropriate times.

The Board resolved on 31 March 2026 to propose to distribute the final dividend for the year ended 31 December 2025 in cash to the shareholders whose names appear on the register of members of the Company on Monday, 11 May 2026. Based on 30% of the net profit attributable to shareholders of the Company of RMB4,526,216,814.09 as presented in the consolidated financial statements prepared in accordance with the PRC GAAP, the total proposed cash dividend of the Company for the financial year ended 31 December 2025 is determined to be RMB1,358,470,126.65. The aforementioned cash dividend accounts for 31% of the distributable profit set out in the consolidated financial statements prepared in compliance with IFRS Accounting Standards for the financial year ended 31 December 2025. On the basis of the Company's total issued share capital of 8,359,816,164 shares as at the date of this report (comprising 5,041,934,164 A Shares and 3,317,882,000 H Shares), the aggregate proposed cash dividend for the financial year ended 31 December 2025 is RMB0.1625 per share (before tax). The Company has distributed the interim dividend for 2025 of RMB0.1 per share (before tax), with the total interim dividend amount of RMB835,981,616.40. The Company proposes to distribute the final dividend for 2025 of RMB0.0625 per share (before tax), with the total final dividend amount of RMB522,488,510.25. In the event that the total number of issued shares of the Company as at the record date for dividend distribution changes due to additional shares, share repurchases or other reasons, the amount of cash dividend per share will be adjusted accordingly within the total distribution amount of RMB522,488,510.25 (before tax). The actual cash dividend per share will be calculated based on the total share capital as at the record date for dividend distribution. The above-mentioned arrangement for dividend will be subject to shareholders' approval at the annual general meeting (the "**Annual General Meeting**") of the Company on Wednesday, 29 April 2026, and is expected to be paid on or before Friday, 26 June 2026. Details of the dividend payment will be announced after holding of the Annual General Meeting.

DIRECTORS' REPORT

Pursuant to the Enterprise Income Tax Law of the People's Republic of China and its implementation rules, which came into force on 1 January 2008 and other relevant rules, where the Company distributes the proposed 2025 final dividend to non-resident enterprise Shareholders whose names appear on the register of members for H shares of the Company, it is required to withhold and pay enterprise income tax at the rate of 10%. Any H shares registered in the name of non-individual registered Shareholders, including HKSCC Nominees Limited (香港中央結算(代理人)有限公司), other nominees or trustees, or other organisations or groups, will be treated as shares being held by nonresident enterprise Shareholders, and consequently will be subject to the withholding of the enterprise income tax. According to regulations by the State Administration of Taxation (Guo Shui Han [2011] No. 348) and relevant laws and regulations, if the individual H-share Shareholders are residents of Hong Kong or Macau or those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of these Shareholders. If the individual H-share Shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the individual H-share Shareholders should take the initiative to submit statements to the Company to enjoy the agreed treatment, and keep relevant data for future reference. If the information provided is complete, the Company will withhold it in accordance with regulations of the PRC tax laws and agreements. If the individual H-share Shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty. If the individual H-share Shareholders are residents of those countries which have entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or those countries which have not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of these Shareholders.

For the Southbound Trading Shareholders, in accordance with the relevant requirements of China Securities Depository and Clearing Corporation Limited, Shanghai Branch and Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the Southbound Trading Shareholders for Shanghai market and Shenzhen market, respectively, will receive cash dividends distributed by the Company and distribute the cash dividends to the relevant Southbound Trading Shareholders through its depository and clearing system.

DIRECTORS' REPORT

The cash dividends for the investors of H shares of Southbound Trading will be distributed in Renminbi whilst that paid to holders of A shares and holders of H shares will be in Renminbi and in Hong Kong dollar respectively. Pursuant to the relevant provisions of the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

CLOSURE OF REGISTER OF H SHARE MEMBERS

In order to determine the holders of H shares who are eligible to attend and vote at the Annual General Meeting to be held on Wednesday, 29 April 2026, the register of H share members of the Company will be closed from Friday, 24 April 2026 to Wednesday, 29 April 2026, both days inclusive. To be eligible to attend and vote at the said Annual General Meeting, unregistered holders of H shares of the Company shall lodge relevant share transfer documents with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 23 April 2026. Holders of H shares whose names appear on the register of H share members of the Company on Wednesday, 29 April 2026 (the record date) will be entitled to attend and vote at the Annual General Meeting.

In order to determine the holders of H shares who are eligible to receive the aforesaid final dividend, the register of H share members of the Company will be closed from Wednesday, 6 May 2026 to Monday, 11 May 2026, both days inclusive. To be eligible to receive the final dividend for the year ended 31 December 2025 (subject to the approval by shareholders of the Company), unregistered holders of H shares of the Company shall lodge relevant share transfer documents with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 5 May 2026. Holders of H shares whose names appear on the register of H share members of the Company on Monday, 11 May 2026 (the record date) will be entitled to receive the proposed final dividend.

DIRECTORS' REPORT

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in properties, plants and equipment of the Company and its subsidiaries during the year are set out in Note 16 to the Financial Statements.

RESERVES

Details of the movements in reserves of the Company during the year are set out in Note 36(a) to the Financial Statements, among which, details of reserves distributable to the Shareholders are set out in Note 36(f) to the Financial Statements.

BANK LOANS AND OTHER BORROWINGS

Details of the bank loans and other borrowings of the Company and its subsidiaries as at 31 December 2025 are set out in Note 29 to the Financial Statements.

DIRECTORS AND SENIOR MANAGEMENT

The following table sets forth some information concerning the Directors, supervisors and senior management of the Company as at the Latest Practicable Date.

Name	Position in the Company	Date of appointment/re-election/ resignation
Directors		
Gong Yufei	Executive Director, Chairman of the Board	Re-elected on 29 October 2025
Wang Liqiang	Executive Director	Re-elected on 29 October 2025
Wang Xuelian	Non-executive Director	Re-elected on 29 October 2025
Zhang Tong	Non-executive Director	Re-elected on 29 October 2025
Wang Yong	Non-executive Director	Re-elected on 29 October 2025
Liu Jintao	Employee Director	Appointed on 29 October 2025
Michael Ngai Ming Tak	Independent Non-executive Director	Re-elected on 29 October 2025
Gao Debu	Independent Non-executive Director	Re-elected on 29 October 2025
Zhao Feng	Independent Non-executive Director	Re-elected on 29 October 2025

DIRECTORS' REPORT

Name	Position in the Company	Date of appointment/re-election/ resignation
Resigned Director		
Chen Jie	Non-executive Director	Resigned on 29 October 2025
Resigned Supervisors		
Liu Jinji	Chairman of the Supervisory Board	Resigned on 29 October 2025
Hao Jingru	Supervisor	Resigned on 29 October 2025
Liu Jintao	Employee Supervisor	Resigned on 29 October 2025
Senior Management		
Wang Liqiang	General Manager	Re-elected on 29 October 2025
Yang Wenjing	Chief Accountant	Re-elected on 29 October 2025
	Vice General Manager, Secretary to the	
Ding Jing	Board of Directors	Re-elected on 29 October 2025
Xia Hui	Vice General Manager	Re-elected on 29 October 2025
Li Xingyun	Vice General Manager	Re-elected on 29 October 2025
Shi Wenyi	Vice General Manager	Re-elected on 29 October 2025
Resigned Senior Management		
Wang Qi	Vice General Manager	Resigned on 24 November 2025

The Company has received, from each of the independent non-executive Directors, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considered that all of the independent non-executive Directors are independent of the Company.

The Company has appointed members of the sixth session of the Board on 29 October 2025, and each member has obtained the legal opinion as referred to in Rule 3.09D of the Listing Rules on 29 October 2025 and confirmed that they understand their responsibilities as Directors.

DIRECTORS' REPORT

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and senior management are set out on pages 143 to 158 of this annual report.

SERVICE CONTRACTS OF DIRECTORS

The Company has entered into service contracts with each of the Directors. The principal particulars of such service contracts include: (1) the term from the date of appointment to the date of expiry of the term of the current session of the Board; and (2) termination in accordance to the terms of respective contracts.

Save as disclosed above, no Director has entered into a service contract with the Company that cannot be terminated by the Company within one year without payment of compensation (other than statutory compensation).

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The compensation plan for the Directors of the Company is submitted to the shareholders' meeting for approval after being reviewed and approved by the remuneration and assessment committee under the Board and the Board. The compensation plan for senior management is submitted to the Board for approval after being reviewed and approved by the remuneration and assessment committee under the Board. The compensation for the Directors and senior management of the Company is determined based on the Company's overall business and management performance, taking into account factors such as the achievement of business performance targets, the fulfillment of assigned responsibilities and work objectives, individual performance, and the development of the Company's industry and market.

DIRECTORS' REPORT

Details of the remuneration of the Company's Directors and senior management during the Reporting Period are as follows:

Unit: RMB10,000

Name	Position	Status of office	Basic remuneration and performance based remuneration in 2025 (before tax)	Social insurance, housing fund and enterprise annuity payable by the Company	Total pre-tax remuneration for 2025	Whether receiving remuneration from the Company's related parties
Gong Yufei	Executive Director and Chairman of the Board	Incumbent	101.33	37.22	138.55	No
Wang Liqiang	Executive Director and General Manager	Incumbent	101.33	30.36	131.70	No
Wang Xuelian	Non-executive Director	Incumbent	0.00	0.00	0.00	Yes
Chen Jie	Non-executive Director	Resigned	0.00	0.00	0.00	Yes
Zhang Tong	Non-executive Director	Incumbent	0.00	0.00	0.00	Yes
Wang Yong	Non-executive Director	Incumbent	0.00	0.00	0.00	Yes
Liu Jintao	Employee Director	Incumbent	19.95	6.71	26.66	No
Michael Ngai Ming Tak	Independent Non-executive Director	Incumbent	14.29	0.00	14.29	No
Gao Debu	Independent Non-executive Director	Incumbent	14.29	0.00	14.29	No
Zhao Feng	Independent Non-executive Director	Incumbent	14.29	0.00	14.29	No
Yang Wenjing	Chief Accountant	Incumbent	84.83	33.10	117.93	No
Ding Jing	Vice General Manager and Secretary to the Board of Directors	Incumbent	84.83	32.77	117.60	No
Xia Hui	Vice General Manager	Incumbent	84.83	33.99	118.82	No
Li Xingyun	Vice General Manager	Incumbent	84.83	32.66	117.49	No

DIRECTORS' REPORT

Name	Position	Status of office	Basic remuneration and performance based remuneration in 2025 (before tax)	Social insurance, housing fund and enterprise annuity payable by the Company	Total pre-tax remuneration for 2025	Whether receiving remuneration from the Company's related parties
Shi Wenyi	Vice General Manager	Incumbent	84.83	31.48	116.31	No
Wang Qi	Vice General Manager	Resigned	80.72	31.57	112.28	No
Total			770.36	269.85	1,040.20	

Basis for assessing the actual remuneration received by all Directors and senior management at the end of the Reporting Period

In accordance with the 2025 overall remuneration plan for Directors and senior management, which was reviewed and approved by remuneration and assessment committee under the Board of the Company, the first meeting of the fifth session of the Board in 2025, and the 2024 annual general meeting, non-independent Directors who hold specific management positions within the Company shall receive remuneration commensurate with their specific roles; non-independent directors who do not hold specific management positions within the Company shall not receive remuneration for their directorship; The independent Directors of the Company are subject to a fixed allowance system, with the allowance standards submitted by the Board to the annual general meeting for consideration and approval.

DIRECTORS' REPORT

Name	Position	Status of office	Basic remuneration and performance based remuneration in 2025 (before tax)	Social insurance, housing fund and enterprise annuity payable by the Company	Total pre-tax remuneration for 2025	Whether receiving remuneration from the Company's related parties

The remuneration for the Company's executive Directors and senior management consists of annual remuneration (including base salary and performance-based remuneration) and tenure incentives. Base salary is determined as a multiple of the average annual salary of the Company's current employees; performance-based remuneration is determined based on the results of the annual performance assessment; and tenure incentives are determined based on the results of the term assessment. The remuneration for the employee Director consists of position-based remuneration, performance-based remuneration, and seniority-based pay remuneration. Position-based remuneration is determined according to the specific job level of the employee Director. Performance-based remuneration is determined based on the Company's economic performance, the performance of the employee's department, and the individual's performance assessment results. Seniority-based remuneration is calculated based on the employee Director's years of service.

Notes:

1. The remuneration received by the aforesaid persons from the Company covers the period from the commencement of term of office of the Company during 2025. In addition to the remuneration set out in the above table, during the Reporting Period, the Company also paid a total of RMB1,786,500 (before tax) as retroactive performance-based remuneration for the year 2024 to certain Directors and senior management in accordance with relevant regulations, including RMB245,500 to Gong Yufei, RMB294,000 to Wang Liqiang, RMB264,300 to Yang Wenjing, RMB202,500 to Ding Jing, RMB192,200 to Xia Hui, RMB200,900 to Li Xingyun, RMB187,800 to Shi Wenyi, and RMB199,200 to Wang Qi.
2. The figures provided in the remuneration have been subject to decimal adjustments. Any discrepancies between the total shown and the sum of the amounts listed are due to adjustments.

DIRECTORS' REPORT

DIRECTOR INSURANCES

The Company has bought effective insurances for the Directors.

INTERESTS OF DIRECTORS IN CONTRACTS

At the end of the year or at any time during the year, there was no transaction, arrangement or contract of significance relating to the Company's business and still valid during the year or at the end of the year, in which the Company or its subsidiaries were a party, directly or indirectly involved in its formulation process, and in which a Director, or an entity connected with a Director had a material interest subsisted.

INTERESTS OF DIRECTORS IN COMPETING BUSINESS

As at the Latest Practicable Date, save as disclosed below, none of the Directors and their associates had any competing interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Company:

Name of Directors	Position in the Company	Other Interests
Wang Xuelian	Non-executive Director	Business Director (1st Grade) of the Research Institute of Technology and Economy of CHN Energy
Zhang Tong	Non-executive Director	Deputy Director (Director Level) of the Corporate Management and Legal Affairs Department (Reform Office) of China Energy Investment Corporation Co., Ltd., Deputy Secretary of the Party Committee of China Energy Shendong Coal Group Co., Ltd.
Wang Yong	Non-executive Director	Member of the Party Committee, Deputy General Manager and General Manager of Equity Investment Centre of China Everwin Asset Management Co., Ltd.

DIRECTORS' REPORT

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, none of the Directors and chief executives of the Company had any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be registered in the register indicated in the section, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2025, so far as known to the Directors, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Class of Shares	Capacity	Number of Shares/ Underlying Shares Held (Shares)	Percentage in the Relevant Class of Share Capital (Note 1)	Percentage in the Total Share Capital (Note 1)
				(%)	(%)
CHN Energy	A shares	Beneficial owner and Interest of corporation controlled by the substantial shareholder	4,908,598,141 (Note 2) (Long position)	97.36	58.72
BlackRock, Inc.	H shares	Interest of corporation controlled by the substantial shareholder	202,729,000 (Note 3) (Long position)	6.11	2.43

DIRECTORS' REPORT

Name of Shareholder	Class of Shares	Capacity	Number of Shares/ Underlying Shares Held (Shares)	Percentage in the Relevant Class of Share Capital (Note 1)	Percentage in the Total Share Capital (Note 1)
				(%)	(%)
BlackRock, Inc.	H shares	Interest of corporation controlled by the substantial shareholder	21,688,000 (Note 4) (Short position)	0.65	0.26
Rui Life Insurance Company Limited	H shares	Beneficial owner	564,070,000 (Long position)	17.00	6.75
GIC Private Limited	H shares	Investment manager	228,062,000 (Long position)	6.87	2.73
Citigroup Inc.	H shares	Interest of corporation controlled by the substantial shareholder and approved lending agent	238,062,662 (Note 5) (Long position)	7.18	2.85
Citigroup Inc.	H shares	Interest of corporation controlled by the substantial shareholder	18,064,406 (Note 6) (Short position)	0.54	0.22
Citigroup Inc.	H shares	Approved lending agent	224,905,583 (Shares in a lending pool)	6.78	2.69
Xintai Life Insurance Co., Ltd.	H shares	Beneficial owner	340,871,000 (Long position)	10.27	4.08

Notes:

- The percentages are calculated based on the number of issued shares of the relevant class/ total issued shares of the Company as at 31 December 2025.

DIRECTORS' REPORT

2. Among these 4,908,598,141 A shares, 4,602,432,800 A shares are directly held by CHN Energy, the remaining 212,238,141 A shares are held by Inner Mongolia Pingzhuang Coal (Group) Co., Ltd. (內蒙古平莊煤業(集團)有限責任公司), an indirect non-wholly-owned subsidiary of CHN Energy, and 93,927,200 A shares are held by CHN Energy Liaoning Electric Power Co., Ltd. (國家能源集團遼寧電力有限公司), a wholly-owned subsidiary of CHN Energy. Accordingly, CHN Energy is deemed as the owner of the equity interests held by its aforesaid subsidiaries.
3. Among these 202,729,000 H shares, 37,000 H shares are held by BlackRock Investment Management, LLC, an indirect wholly-owned subsidiary of BlackRock, Inc., 4,077,000 H shares are held by BlackRock Financial Management, Inc., an indirect wholly-owned subsidiary of BlackRock, Inc., 25,106,693 H shares are held by BlackRock Institutional Trust Company, National Association, an indirect wholly-owned subsidiary of BlackRock, Inc., 83,514,000 H shares are held by BlackRock Fund Advisors, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 2,116,196 H shares are held by BlackRock Japan Co., Ltd., an indirect non-wholly-owned subsidiary of BlackRock, Inc., 1,087,000 H shares are held by BlackRock Asset Management Canada Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 1,146,000 H shares are held by BlackRock Investment Management (Australia) Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 5,213,139 H shares are held by BlackRock Asset Management North Asia Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 1,370,000 H shares are held by BlackRock (Netherlands) B. V., an indirect non-wholly-owned subsidiary of BlackRock, Inc., 71,604,000 H shares are held by BlackRock Asset Management Ireland Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 114,000 H shares are held by BLACKROCK (Luxembourg) S. A., an indirect non-wholly-owned subsidiary of BlackRock, Inc., 2,764,000 H shares are held by BlackRock Investment Management (UK) Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 3,316,424 H shares are held by BlackRock Fund Managers Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 71,000 H shares are held by BlackRock Life Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 1,025,958 H shares are held by BlackRock (Singapore) Limited, an indirect non-wholly-owned subsidiary of BlackRock, Inc., 35,000 H shares are held by BlackRock Asset Management Schweiz AG, an indirect non-wholly-owned subsidiary of BlackRock, Inc., and 131,590 H shares are held by Aperio Group, LLC, an indirect non-wholly-owned subsidiary of BlackRock, Inc. Accordingly, BlackRock, Inc. is deemed to have the equity interests in the H shares held by its aforementioned subsidiaries.
4. Among these 21,688,000 H shares, 6,686,000 H shares are held by BlackRock Financial Management, Inc., an indirect non-wholly-owned subsidiary of BlackRock, Inc., and 15,002,000 H shares are held by BlackRock Institutional Trust Company, National Association, an indirect non-wholly-owned subsidiary of BlackRock, Inc. Accordingly, BlackRock, Inc. is deemed to have the short positions in the H shares held by its aforementioned subsidiaries.

DIRECTORS' REPORT

5. Among these 238,062,662 H shares, 225,335,583 H shares are held by Citibank, N. A., an indirect wholly-owned subsidiary of Citigroup Inc., 2,060,802 H shares are held by Citigroup Global Markets Hong Kong Limited, an indirect wholly-owned subsidiary of Citigroup Inc., 36,400 H shares are held by Citigroup Global Markets Inc., an indirect wholly-owned subsidiary of Citigroup Inc., and 10,629,877 H shares are held by Citigroup Global Markets Limited, an indirect wholly-owned subsidiary of Citigroup Inc. Therefore, Citigroup Inc. is deemed to have the equity interests in the H shares held by its aforementioned subsidiaries.
6. Among these 18,064,406 H shares, 1,915,904 H shares are held by Citibank, N. A., an indirect wholly-owned subsidiary of Citigroup Inc., 6,462,181 H shares are held by Citigroup Global Markets Hong Kong Limited, an indirect wholly-owned subsidiary of Citigroup Inc., and 9,686,321 H shares are held by Citigroup Global Markets Limited, an indirect wholly-owned subsidiary of Citigroup Inc. Therefore, Citigroup Inc. is deemed to have the short positions in the H shares held by its aforementioned subsidiaries.

ISSUE OF DEBENTURES

The debentures issued by the Company in 2025 are set out as below:

Issue date	Type of debentures	Financing amount (RMB million)	Reason for the issue
15 January 2025	Ultra-short-term debentures	2,000	For repayment of interest-bearing liabilities
20 January 2025	Medium-term notes	2,500	For repayment of interest-bearing liabilities
20 February 2025	Medium-term notes	1,000	For repayment of interest-bearing liabilities
20 February 2025	Medium-term notes	1,000	For repayment of interest-bearing liabilities
24 February 2025	Medium-term notes	1,000	For repayment of interest-bearing liabilities
24 February 2025	Medium-term notes	500	For repayment of interest-bearing liabilities
17 March 2025	Ultra-short-term debentures	2,000	For repayment of interest-bearing liabilities
26 March 2025	Medium-term notes	1,200	For repayment of interest-bearing liabilities

DIRECTORS' REPORT

Issue date	Type of debentures	Financing amount (RMB million)	Reason for the issue
21 April 2025	Medium-term notes	2,000	For repayment of interest-bearing liabilities
15 May 2025	Medium-term notes	1,500	For repayment of interest-bearing liabilities
22 May 2025	Ultra-short-term debentures	2,300	For repayment of interest-bearing liabilities
27 May 2025	Medium-term notes	2,500	For repayment of interest-bearing liabilities
26 June 2025	Ultra-short-term debentures	2,500	For repayment of interest-bearing liabilities
10 July 2025	Ultra-short-term debentures	2,000	For repayment of interest-bearing liabilities
25 September 2025	Ultra-short-term debentures	1,500	For repayment of interest-bearing liabilities
27 October 2025	Ultra-short-term debentures	2,500	For repayment of interest-bearing liabilities
20 November 2025	Ultra-short-term debentures	2,000	For repayment of interest-bearing liabilities
20 November 2025	Ultra-short-term debentures	2,000	For repayment of interest-bearing liabilities
27 November 2025	Ultra-short-term debentures	2,000	For repayment of interest-bearing liabilities
15 December 2025	Ultra-short-term debentures	3,000	For repayment of interest-bearing liabilities
15 December 2025	Ultra-short-term debentures	3,000	For repayment of interest-bearing liabilities
18 December 2025	Ultra-short-term debentures	2,600	For repayment of interest-bearing liabilities
30 December 2025	Ultra-short-term debentures	2,200	For repayment of interest-bearing liabilities

MANAGEMENT CONTRACTS

The Company did not enter into any contract in respect of the management or administration of the entire or any significant part of the business of the Company, nor did any such contract subsist at any time in 2025.

DIRECTORS' REPORT

SUBSEQUENT EVENTS

As of the date of disclosure of this report, the private placement of A-shares to specific investors by the Company is proceeding in an orderly manner. After the issuance plan was reviewed and approved by the Board and the general meeting of shareholders, and obtained the approval from the state-owned assets supervision and administration authority, the Company submitted the application documents to the Shenzhen Stock Exchange (hereinafter referred to as the “**SZSE**”) and the same was accepted (Shenzhen Stock Exchange Listing Review [2026] No. 1). At present, the Company, together with the relevant intermediary institutions, has provided item-by-item explanations and responses to the questions set out in the *Review Inquiry Letter on the Application of China Longyuan Power Group Corporation Limited for the Issuance of Shares to Specific Investors* (Review Letter [2026] No. 120005) issued by the Listing Review Center of the SZSE, and the matter is currently in the inquiry and response stage. The total gross proceeds from this private placement of A-shares to specific investors shall not exceed RMB5.0 billion, which are proposed to be invested in the 500MW Offshore Wind Power Project at CZ8 Site, Dongfang City, Hainan Province, and the 1,000MW Wind Power Project in Shapotou of the New Energy Base Supporting the “Ningxiang DC (寧湘直流)”. This private placement of shares to specific investors can only be implemented after passing the review of the SZSE and obtaining the approval for registration from the China Securities Regulatory Commission (hereinafter referred to as the “**CSRC**”). There remains uncertainty as to whether and when the matter will ultimately pass the SZSE review and obtain the CSRC’s decision on approval for registration. The Company will duly fulfill its information disclosure obligations in strict compliance with the provisions and requirements of relevant laws and regulations in light of the progress of the above matters.

CONNECTED TRANSACTIONS

Details of substantial connected transactions occurred during the Reporting Period of the Company are set out in the Connected Transactions section of this report.

DONATIONS

In 2025, the total donations made by the Company amounted to RMB20,599,785.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the purchase from the Company’s five largest suppliers in aggregate contributed 24.22% of the Company’s total purchase for the year, among which, the total purchase from the largest supplier contributed 6.35% of the Company’s total purchase for the year.

DIRECTORS' REPORT

For the year ended 31 December 2025, the sales to the Company's five largest customers in aggregate contributed 36.91% of the Company's total sales for the year, among which, the sales to the largest customer contributed 15.92% of the Company's total sales for the year.

During the year, so far as the Directors are aware, save for China Energy Group being the Company's largest supplier, none of the Directors or their associates or the Shareholders of the Company (who, to the knowledge of the Directors, own more than 5% of the Company's share capital (excluding treasury shares)) had any interest in the Company's five largest customers and suppliers during the year.

DISTRIBUTABLE RESERVES

Details of the changes in the reserves of the Company in 2025 are set out in Note 36(f) to the Financial Statements and the Consolidated Statement of Changes in Equity respectively.

MATERIAL CONTRACTS

Save as disclosed in the section headed "Material Acquisitions and Disposals" in this annual report, none of the Company or any of its subsidiaries entered into any material contracts with the controlling Shareholder or any of its subsidiaries other than the Company, nor was there any material contracts between the Company and the controlling Shareholder or any of its subsidiaries other than the Company in relation to provision of services in 2025.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at the end of 2025, none of the Directors or their respective associates were granted any rights by the Company or its subsidiaries to acquire shares or debentures of the Company or any other corporate entity, nor had they exercised any such rights.

ARRANGEMENTS FOR SHARE PRE-EMPTIVE RIGHT AND SHARE OPTION

During 2025, no arrangement for share pre-emptive right and share option was made by the Company.

EQUITY-LINKED AGREEMENTS

During 2025, no equity-linked agreement was entered into by or subsisted in the Company, and there was no provision to enter into any agreement which will or may result in the Company issuing new shares.

DIRECTORS' REPORT

PERMITTED INDEMNITY PROVISION

In 2025, no permitted indemnity provision (whether made by the Company or otherwise) was made or in force for the benefit of the Directors of the Company or any directors of the subsidiaries of the Company (if made by the Company). The Company has liability insurance coverage for certain relevant lawsuits for the Directors and senior management.

ACCOUNTING POLICIES

Save for the adoption of the new standards effective on 1 January 2025, the material accounting policies adopted by the Company in preparing the audited consolidated financial statements for the year 2025 are consistent with the material accounting policies used in preparing the audited consolidated financial statements for the year 2024, as detailed in Note 2 and Note 3 to the financial statements

RETIREMENT AND EMPLOYEES BENEFIT SCHEME

Details of the Company's retirement and employees benefit scheme are set out in Note 33 to the Financial Statements.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As a company listed on the Hong Kong Stock Exchange, the Company has committed itself to maintaining a high standard of corporate governance practices and complied with all the Code Provisions set out in the Corporate Governance Code contained in Appendix C1 of the Listing Rules. Please refer to the section of Corporate Governance Report of this annual report for details.

PUBLIC FLOAT

Based on information publicly available to the Company and so far as the Directors are aware, the public float of the Company as at the Latest Practicable Date was in compliance with the requirements under the Listing Rules (being the public float of H share is not lower than 5%).

DIRECTORS' REPORT

AUDIT COMMITTEE

The 2025 annual results of the Group and the Financial Statements for the year ended 31 December 2025 prepared in accordance with the IFRS Accounting Standards have been reviewed by the Audit Committee of the Company.

AUDITORS

KPMG and Zhongshen Zhonghuan Certified Public Accountants LLP (中審眾環會計師事務所(特殊普通合夥)) were appointed as auditors for the financial statements prepared in accordance with the IFRS Accounting Standards and PRC GAAP for Business Enterprises for the year ended 31 December 2025, respectively. The accompanying financial statements prepared in accordance with the IFRS Accounting Standards have been audited by KPMG.

The term of service of Ernst & Young, the international auditor appointed by the Company since 20 June 2017, has expired at the conclusion of the 2023 annual general meeting of the Company, and the Company has appointed KPMG as its international auditor for the years 2024 and 2025 since 6 June 2024. The term of office of Dahua Certified Public Accountants LLP, which was appointed as the Company's PRC auditor since 14 January 2022, expired at the conclusion of the 2022 annual general meeting of the Company and Zhongshen Zhonghuan Certified Public Accountants LLP has been appointed as the Company's PRC auditor for the years 2023 to 2025 since 29 December 2023.

By Order of the Board

China Longyuan Power Group Corporation Limited*

Gong Yufei

Chairman of the Board

Beijing, 31 March 2026

CONNECTED TRANSACTIONS

Particulars of the major related party transactions of the Group for the year ended 31 December 2025 are set out in Note 40 to the Financial Statements.

The connected transactions set out in this chapter and forming part of the aforementioned related party transactions constitute connected transactions as defined under Chapter 14A of the Listing Rules, and are subject to the requirements of announcement, annual review and seeking approval from independent shareholders (as applicable) in accordance with the provisions of Chapter 14A of the Listing Rules. The connected transactions disclosed in this chapter have complied with the provisions of Chapter 14A of the Listing Rules. In respect of the connected transactions or continuing connected transactions set out below, the Directors confirm that the Company has complied with the disclosure requirements of Chapter 14A of the Listing Rules.

NON-EXEMPT CONNECTED TRANSACTIONS

1. Transfer of 30% Equity Interest in United Power

On 14 November 2025, the Company, CHN Energy (Beijing) Electrical Engineering Technology Co., Ltd.* (國能(北京)電氣技術有限公司) (“**CHN Energy Electrical**”), CHN Energy New Energy Technology Co., Ltd.* (“**CHN Energy New Energy**”) and Guodian United Power Technology Co., Ltd. (“**United Power**”) entered into a transfer agreement. Pursuant to the agreement, the Company and CHN Energy Electrical agreed to transfer their respective 30% equity interests in United Power to CHN Energy New Energy (i.e., CHN Energy New Energy acquired a total of 60% equity interest in United Power) at a consideration of RMB1 each. Upon completion of the transfer, the Company will no longer hold any equity interest in United Power, United Power will cease to be an associated company of the Company, and CHN Energy New Energy will enjoy all the rights and assume the corresponding responsibilities in respect of the subject equity interests.

CONNECTED TRANSACTIONS

The consideration for the transaction was determined after fair negotiation between the Company, CHN Energy Electrical and CHN Energy New Energy with reference to the appraised value of the equity interest in United Power, taking into account the market conditions and the future business expectations of United Power. Beijing Guo Rong Xing Hua Asset Appraisal Co., Ltd.*, an appraisal institution, issued an appraisal report. Based on the valuation benchmark date of 31 March 2025, the appraised value of the total shareholders' equity of United Power was RMB-61,814.083 million, and the appraised value corresponding to the 30% equity interest transferred by the Company and CHN Energy Electrical to CHN Energy New Energy was RMB-18,544.2249 million respectively.

In view of the long-term losses of United Power, the Company transferred its equity interest in United Power to CHN Energy New Energy to separate the equity interest in United Power from the Company and completely eliminate the potential impact of risks related to United Power on the Company.

As at the announcement date, CHN Energy directly and indirectly held approximately 58.72% of the issued share capital of the Company, being the controlling shareholder of the Company and a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. CHN Energy Electrical, CHN Energy New Energy and United Power are all subsidiaries of CHN Energy, and they constitute connected persons of the Company under Chapter 14A of the Listing Rules. Therefore, the transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

For details of the transfer of 30% equity interest in United Power, please refer to the relevant announcements of the Company dated 14 November 2025.

2. Establishment of Three Subsidiaries

On 14 November 2025, the Company and its subsidiary Hero Asia (BVI) Company Limited ("**Hero Asia**") entered into investment agreements with Jiangsu Electric Power Co., Ltd. under China Energy ("**Jiangsu Electric under China Energy**") and other transaction counterparties respectively to jointly invest in the establishment of Rudong Longyuan New Energy Co., Ltd.* ("**Rudong Longyuan**"), Yancheng Dafeng Offshore Longyuan New Energy Development Co., Ltd.* ("**Yancheng Dafeng Longyuan**") and Sheyang Longyuan New Energy Co., Ltd.* ("**Sheyang Longyuan**"). The Company and its subsidiary Hero Asia contributed RMB51 million to each of Rudong Longyuan, Yancheng Dafeng Longyuan and Sheyang Longyuan for the transaction, with a total contribution of RMB153 million. Upon completion of the transaction, Rudong Longyuan, Yancheng Dafeng Longyuan and Sheyang Longyuan will become subsidiaries of the Company.

CONNECTED TRANSACTIONS

The establishment of new subsidiaries is consistent with the Company's operational development needs, which aims to fully utilize and mobilize the local resource advantages of Jiangsu Electric under China Energy and respective equity participants, thereby further leveraging the Company's specialized expertise and technological strengths in the offshore wind power sector, achieving a powerful alliance, and jointly developing, constructing and operating the Jiangsu Rudong H16#150MW Wind Power Project, the Dafeng H20#400MW Offshore Wind Power Project and the Sheyang Offshore South Area H7#750MW Wind Power Project. The capital contribution of the Company will be funded by its own fund. It will not adversely affect its financial or operational performance, and there is no circumstance that will prejudice the interests of the Company and all shareholders, particularly minority shareholders. As at the date of the announcement, the aforesaid subsidiaries are currently in the preparatory stage of establishment, which will not have a material impact on the Company's production or operations in the short term, and will have a positive impact on the Company's operational development in the long term.

As at the announcement date, CHN Energy directly and indirectly held approximately 58.72% of the issued share capital of the Company, being the controlling shareholder of the Company and a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. Jiangsu Electric under China Energy is an indirect subsidiary of CHN Energy and also constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

For details of the establishment of the three subsidiaries, please refer to the relevant announcements of the Company dated 14 November 2025.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The Group has entered into certain non-exempt continuing connected transactions during the year:

- In respect of the first connected transaction as set out below, it shall subject to the annual reporting, announcement and independent Shareholders' approval requirements of the Listing Rules, and the annual caps for each year from 2024 to 2026 have been considered and approved at the fifth extraordinary general meeting in 2023 held on 29 December 2023.

CONNECTED TRANSACTIONS

- In respect of the second continuing connected transaction as set out below, it shall be subject to the annual reporting and announcement requirements of the Listing Rules, but exempt from independent Shareholders' approval requirements of the Listing Rules. The annual caps of Financial Services Agreement from 1 January 2025 to 31 December 2025 have been considered and approved by the Board of the Company on 22 November 2024.
- In respect of the third continuing connected transaction as set out below, it shall be subject to the annual reporting and announcement requirements of the Listing Rules, but exempt from independent Shareholders' approval requirements of the Listing Rules. The annual caps of Financing Lease Related Services Framework Agreement with Guoneng Financial Leasing Co., Ltd (**"Guoneng Financial"**) from 29 March 2023 to 28 March 2025 were considered and approved by the Board of the Company on 29 March 2023. The annual caps for the new finance lease-related service framework agreement signed with Guoneng Financial from 29 March 2025 to 31 December 2027 were reviewed and approved by the Board on 28 March 2025.
- In respect of the fourth continuing connected transaction as set out below, it shall be subject to the annual reporting and announcement requirements of the Listing Rules, but exempt from independent Shareholders' approval requirements of the Listing Rules. The annual caps of Factoring Services Agreement with Guoneng (Beijing) Commercial Factoring Co., Ltd.* (**"Guoneng Factoring"**) from 17 November 2023 to 31 December 2025 were considered and approved by the Board of the Company on 17 November 2023.
- In respect of the fifth continuing connected transactions set out below, it shall be subject to the requirements of annual reporting and announcement under the Listing Rules but exempt from the requirement of independent shareholders' approval under the Listing Rules. The annual caps of the new financial services agreement for the period from 1 January 2026 to 31 December 2028 have been considered and approved by the Board of the Company on 23 December 2025.

CONNECTED TRANSACTIONS

- In respect of the sixth continuing connected transactions set out below, it shall be subject to the requirements of annual reporting and announcement under the Listing Rules but exempt from the requirement of independent shareholders' approval under the Listing Rules. The annual caps of the new factoring services agreement for the period from 1 January 2026 to 31 December 2028 have been considered and approved by the Board of the Company on 23 December 2025.

The table below sets out the annual caps and actual transaction amounts of such nonexempt continuing connected transactions for 2025 (the prices and terms in the actual transactions are determined in accordance with the pricing policies of each framework agreement):

No.	Connected Person	Connected Transactions	Specific Transaction Content	Annual Cap for 2025 (RMB'000)	Actual Transaction Amount for 2025 (RMB'000)
1	CHN Energy	Framework Agreement for the Purchase and Sale of Comprehensive Products and Services	Provision of products and services by the Group	4,276,280	433,653
			Provision of products and services to the Group	7,360,140	1,178,775
2	China Energy Finance	Financial Services Agreement	Deposit Services	Maximum daily deposit balance (including accrued interest) not exceeding RMB900 million	893,764
3	Guoneng Financial	Framework Agreement for Financing Lease Related Services	Direct Lease	500,000 ⁽¹⁾ 400,000 ⁽²⁾	– –
			Sale and Leaseback	390,000 ⁽¹⁾ 300,000 ⁽²⁾	– 258,650
4	Guoneng Factoring	Factoring Services Agreement	Provision of factoring services and other factoring-related services to the Group	Maximum daily balance (including interest, factoring service fees and other related financing charges) not exceeding RMB1.2 billion	1,093,291

CONNECTED TRANSACTIONS

Notes:

- (1) The annual cap/actual transaction amount is for the period from 1 January 2025 to 28 March 2025.
- (2) The annual cap/actual transaction amount is for the period from 29 March 2025 to 31 December 2025.

1. ENTERING INTO FRAMEWORK AGREEMENT FOR THE PURCHASE AND SALE OF COMPREHENSIVE PRODUCTS AND SERVICES

The Company has entered into the Framework Agreement for Purchase and Sale of Comprehensive Products and Services with CHN Energy on 17 December 2023. Pursuant to the Framework Agreement for Purchase and Sale of Comprehensive Products and Services, the Group has agreed to provide products and services to CHN Energy and CHN Energy has agreed to provide products and services to the Group. The term of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services shall commence from 1 January 2024 and expire on 31 December 2026.

The principal terms and conditions of the agreement are set out as follows:

- Pursuant to the Framework Agreement for Purchase and Sale of Comprehensive Products and Services, the Group will provide products and services to CHN Energy and its subsidiaries, including:
 - o in terms of production: electricity trading, power generation rights trading, wind power technical services, resource evaluation of wind power projects, development and technical services of photovoltaic power generation and other related or similar services;
 - o in terms of supply: sales or leasing of spare parts, technical and design consulting services such as wind power design and consulting services, and other related or similar products and services;
 - o in terms of auxiliary production: engineering general contracting services, software and hardware sales and related technical services, information technology services, logistics services, wind power vocational training, and other related or similar products and services.

CONNECTED TRANSACTIONS

- Pursuant to the Framework Agreement for Purchase and Sale of Comprehensive Products and Services, CHN Energy and its subsidiaries will provide products and services to the Group, including:
 - o in terms of production: electricity trading, power generation rights trading and other related or similar services;
 - o in terms of supply: sales of coal, sales or leasing of production equipment and spare parts (such as wind power generating units, unit spare parts and relevant technical services), office supplies, and other related or similar products and services;
 - o in terms of auxiliary production: EPC services for projects, engineering construction, logistics services, training, bidding agency services, information technology services, technical consulting, and other related or similar services;
 - o in terms of administrative management: social security and pension management services and staff data recording management services and other related or similar services.
- The Group and CHN Energy and its subsidiaries will enter into specific transaction agreements setting out the content of the products and/or services to be supplied and the terms and conditions on which such products and/or services will be provided, in accordance with the principles laid down by the Framework Agreement for Purchase and Sale of Comprehensive Products and Services.
- The settlement terms shall be determined separately and in line with market practice applicable to each specific transaction. The detailed settlement terms will be set out in specific transaction agreements.
- There is no exclusivity arrangement between the Group and CHN Energy under the Framework Agreement for Purchase and Sale of Comprehensive Products and Services. In the event that one party under the Framework Agreement for Purchase and Sale of Comprehensive Products and Services is unable to satisfy the other party's demand for products or services, or if more favourable conditions are offered by an independent third party, the other party will be entitled to enter into a transaction with such independent third party.

CONNECTED TRANSACTIONS

- If either party violates any term of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services (the “**Defaulting Party**”), the other party (the “**Observant Party**”) can notify it in written form about the breach, and require the Defaulting Party to remedy the breach within a reasonable term. If the Defaulting Party fails to make any remedy for the breach within the above term, the Observant Party shall be entitled to terminate the Framework Agreement for Purchase and Sale of Comprehensive Products and Services immediately and reserve the right to claim compensation and any other legally permitted claims against the Defaulting Party.
- The annual caps for the provision of products and services by the Group to the CHN Energy for the years ending 31 December 2024, 31 December 2025 and 31 December 2026 are RMB4,030.46 million, RMB4,276.28 million and RMB4,664.43 million, respectively, and the annual caps for the provision of products and services by the CHN Energy to the Group are RMB7,484.21 million, RMB7,360.14 million and RMB7,444.47 million, respectively.

The transactions between the Group and CHN Energy and its subsidiaries have been and will continue to be beneficial to the operation and development of the business of the Group. The provision of products and services by the Group to CHN Energy and its subsidiaries enables the Group to carry out its business more extensively and to have a comprehensive understanding of the development of the industry;

The Group purchases products and services from CHN Energy and its subsidiaries in the ordinary and usual course of business, and CHN Energy and its subsidiaries have provided a stable supply to the Group for a long period of time. Therefore, CHN Energy and its subsidiaries are able to fully understand the business and operational requirements of the Group. The Group and CHN Energy and its subsidiaries have established a long-term cooperative relationship and understand each other's operational plans, quality control and certain special requirements. The provision of products and services by CHN Energy and its subsidiaries to the Group will, to a large extent, enhance the operational efficiency of the Group and reduce operating costs and risks of the Group;

CONNECTED TRANSACTIONS

To maintain a stable and high-quality supply of products and services to the Group is crucial to the Group's current and future production and operations. Based on the past experience in the mutual supply of products and services between the Group and CHN Energy and its subsidiaries, CHN Energy and its subsidiaries have a relatively good ability to perform their contracts. The Group has maintained normal business dealings with CHN Energy and its subsidiaries, and all specific connected transactions have been executed in accordance with the business contracts entered into, which have agreed on a reasonable settlement period. So far, all the connected transaction contracts have been well executed. CHN Energy and its subsidiaries are in a good financial position. The risk of loss to the Group due to the inability of the connected parties to perform contracts properly is relatively small and within the available range. Accordingly, it is believed that CHN Energy and its subsidiaries are able to effectively meet the Group's requirements for stable and high-quality supply of products and services.

As at the date of signing the agreement, CHN Energy, being the controlling shareholder of the Company, directly and indirectly holds approximately 58.56% of the issued share capital of the Company and is a connected person of the Company under Rule 14A.07 of the Listing Rules, and therefore the Framework Agreement for Purchase and Sale of Comprehensive Products and Services and the transactions contemplated thereunder constitute continuing connected transactions of the Company. As the highest applicable percentage ratios of the transactions contemplated under the Framework Agreement for Purchase and Sale of Comprehensive Products and Services are more than 5%, they shall be subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Please refer to the announcements of the Company dated 20 November 2023 and 29 December 2023 and the circular dated 13 December 2023 for details in respect of the Framework Agreement for Purchase and Sale of Comprehensive Products and Services.

CONNECTED TRANSACTIONS

2. ENTERING INTO FINANCIAL SERVICES AGREEMENT

The Company entered into the Financial Services Agreement with China Energy Finance on 22 November 2024, pursuant to which, China Energy Finance agreed to provide the Group with loan services, deposit services and other financial services in accordance with the terms and conditions provided therein. The New Financial Services Agreement has a term of one year, commencing from 1 January 2025 and expiring on 31 December 2025.

The main terms and conditions of the agreement are set out as follows:

- Pursuant to the Financial Services Agreement, the financial services to be provided by China Energy Finance to the Group include the provision of comprehensive credit facilities, intra-group transfer and settlement services, assistance in the receipt and payment of transaction proceeds, entrusted loans services, bill acceptance and discount services, deposit services, provision of financial and financing advisory services, credit verification and related consultancy and agency services, underwriting services, financial consultation services, funds pooling and other services to the Group.
- Among them, the provision of funds pooling services by China Energy Finance to the Group refers to China Energy Finance managing the pooling and transfer of funds between the Company and its subsidiaries (the Company's subsidiaries refer to the Company's wholly-owned subsidiaries, holding companies, equity participation companies and other associated companies with independent legal personality) through the cash management module of its new core system in the form of entrusted loan disbursement and repayment under cash management. The service fee charged by China Energy Finance for providing funds pooling services to the Group is included in the annual cap of the total service fees charged by China Energy Finance for providing other financial services to the Group.
- China Energy Finance shall ensure the safe operation of its fund management network, safeguard fund security and control asset-liability risks to meet the payment needs of the Group.

CONNECTED TRANSACTIONS

- In respect of the loan services provided under the Financial Services Agreement, during the term of the Financial Services Agreement, the aggregated daily balance of direct loans, bill acceptance and discounting, non-financing guarantees and bond investments provided by China Energy Finance to the Group shall not exceed RMB33 billion.
- In respect of the deposit services provided under the Financial Services Agreement, during the term of the Financial Services Agreement, the daily deposit balance (including any accrued interest) of the Group's deposits with China Energy Finance shall not exceed RMB900 million.
- In respect of other financial services provided under the Financial Services Agreement, during the term of the Financial Services Agreement, the total amount of agency fees, handling fees, consulting fees or other service fees charged by China Energy Finance to the Group annually for providing financial services (including but not limited to consulting, agency, settlement, transfer, investment, letter of credit, online banking, entrusted loans, non-financing guarantees, bill acceptance, etc.) shall not exceed RMB20 million.

For deposit services, China Energy Finance has been maintaining satisfactory operating performance and financial position, with prescribed risk monitoring and good performance in supervision and management, and security level of its settlement system has reached the level of domestic commercial banks. Compared with typical commercial banks, the account supervision of China Energy Finance such as substantial payment is more stringent, and its deposit services provide higher fund security. The deposit placed with China Energy Finance facilitates the settlement within the subsidiaries of the Group and between the subsidiaries of CHN Energy, and shortens the time required for transfer and turnover of funds. China Energy Finance will enable the Company to lower the cost of funds by improving the efficiency of the internal settlement and help realise optimisation of cost and operational efficiency. In addition, deposits placed with China Energy Finance would be conducive to realising centralized fund management of subsidiaries of the Group and can satisfy the flexible needs of funds of the Group. China Energy Finance offers the Group relatively good commercial terms as compared with the domestic commercial banks.

CONNECTED TRANSACTIONS

In the area of credit services, compared with typical commercial banks in the PRC, China Energy Finance could provide the Group with stronger support and more flexible loan conditions. The collaboration between the Group and China Energy Finance may reduce finance costs, ensure the security of the capital chain and help monitor risks for the Group. China Energy Finance is familiar with the capital structure, business operation, capital needs and cash flow pattern of each subsidiary of the Group, enabling it to better forecast the capital needs of the Group. Therefore, China Energy Finance can provide flexible, convenient and low-cost services to the Group at any time. By entering into the Financial Services Agreement with China Energy Finance, the Group opens another channel for service providers. The Group is allowed to cooperate with China Energy Finance without being prohibited from selecting other financial and insurance institutions, including commercial banks in the PRC. The Group may freely cooperate with any institutions selected and obtain any best terms offered. Moreover, the credit services provided by China Energy Finance for the Group may increase credit for the credit provided by domestic commercial banks for the Group.

As at the date of signing the Financial Services Agreement, CHN Energy directly and indirectly held approximately 58.72% of the issued share capital of the Company, being the controlling shareholder of the Company and a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. China Energy Finance is a subsidiary of CHN Energy and also constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the Financial Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company. One or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the deposit services under the Financial Services Agreement exceed 0.1% but are less than 5%, and thus are subject to the requirements of annual reporting and announcement under Chapter 14A of the Listing Rules but exempt from the requirement of independent shareholders' approval; the loan services under the Financial Services Agreement are conducted on normal commercial terms, which are similar to or more favorable than those offered by independent third parties for comparable services in China as far as the Group is concerned, and the Group will not pledge any assets for the loan services. Therefore, the loan services are exempt from the requirements of annual reporting, announcement and independent shareholders' approval pursuant to Rule 14A.90 of the Listing Rules; all applicable percentage ratios for other financial services under the Financial Services Agreement are lower than the minimum exemption threshold of 0.1% set out in Rule 14A.76 of the Listing Rules, and thus are exempt from the requirements of annual reporting, announcement and independent shareholders' approval under the Listing Rules.

CONNECTED TRANSACTIONS

During the Reporting Period, the cap for the maximum daily deposit balance (including accrued interest incurred) of the deposit services under the Financial Services Agreement for 2025 was RMB900,000,000, and the actual maximum daily deposit balance (including any accrued interest) was RMB893,763,827.

For details of the Financial Services Agreement, please refer to the announcement of the Company dated 22 November 2024.

3. ENTERING INTO FINANCING LEASE RELATED SERVICES FRAMEWORK AGREEMENT

The Company entered into the Financing Lease Related Services Framework Agreement with Guoneng Financial on 29 March 2023, pursuant to which Guoneng Financial has agreed to provide the Company with financing lease related services, including direct lease, sales and leaseback and related consulting services. The Financing Lease Related Services Framework Agreement and its corresponding annual caps are valid for two years from 29 March 2023 to 28 March 2025. The aggregate amount of Direct Lease transactions between the Company and Guoneng Financial shall not exceed RMB500 million per annum, and the aggregate amount of Sales and Leaseback transactions between the Company and Guoneng Financial shall not exceed RMB390 million per annum. Pursuant to the agreement, Guoneng Financial agreed to provide the Group with financing lease related services, including direct lease and sale and leaseback, in accordance with the terms and conditions of the New Framework Agreement for Financing Lease Related Services. The New Framework Agreement for Financing Lease Related Services and the corresponding annual caps are valid from 29 March 2025 to 31 December 2027.

CONNECTED TRANSACTIONS

The main terms and conditions of the New Framework Agreement for Financing Lease Related Services are set out as follows:

The financing lease related services provided by Guoneng Financial to the Company include:

1. Provision of direct lease related services (“**Direct Lease**”) in financing lease to the Company. In relation to Direct Lease, the lessor (being Guoneng Financial), based on the choice of the lessee (being the Company or its subsidiaries), acquires the leased property for the direct purpose of leasing it out to the lessee. The lessor owns the title to the leased property. The lessee, pursuant to the relevant agreement(s), shall pay the rent (inclusive of interest) to the lessor during the lease term. At the expiry of the lease term, the lessee is given an option to purchase, or to renew or terminate the lease of, the leased property;
2. Provision of sale and leaseback related services for financing lease to the Company (“**Sale and Leaseback**”). In the case of sale and leaseback, the lessee (i.e., the Company or its subsidiaries) sells its own asset to the lessor (i.e., Guoneng Financial) and then leases it back from the lessor. Pursuant to the relevant agreement, the lessee shall pay rent and interest to the lessor during the lease term. At the expiration of the lease term, the lessee has the right to choose to purchase the leased asset, renew the lease or terminate the lease.

The relevant annual caps under the New Framework Agreement for Financing Lease Related Services: (1) the total transaction amount of direct lease conducted between the Company and Guoneng Financial shall not exceed RMB400 million per year; and (2) the total transaction amount of sale and leaseback conducted between the Company and Guoneng Financial shall not exceed RMB300 million per year.

As a financial service platform of China Energy Capital Holdings Co., Ltd., Guoneng Financial provides the Company with high-quality financing lease services under the premise of ensuring the safety of funds. The Company has conducted connected transactions with Guoneng Financial based on the following advantages: firstly, broadening financing channels and enriching sources of funds; secondly, improving cash management and optimizing capital planning; and thirdly, reducing financing costs and improving capital efficiency.

CONNECTED TRANSACTIONS

As at the date of signing the New Framework Agreement for Financing Lease Related Services, CHN Energy directly and indirectly held approximately 58.72% of the issued share capital of the Company, being the controlling shareholder of the Company and a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. Guoneng Financial is a subsidiary of CHN Energy and also constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the New Framework Agreement for Financing Lease Related Services and the transactions contemplated thereunder constitute continuing connected transactions of the Company. One or more of the applicable percentage ratios (as defined in the Listing Rules) for the direct lease and sale and leaseback services under the New Framework Agreement for Financing Lease Related Services exceed 0.1% but are less than 5%, and thus are subject to the requirements of annual reporting and announcement under Chapter 14A of the Listing Rules but exempt from the requirement of independent shareholders' approval.

During the Reporting Period, the annual cap for direct lease under the existing Framework Agreement for Financing Lease Related Services for the period from 1 January 2025 to 28 March 2025 was RMB500,000,000, and the cap for sale and leaseback was RMB390,000,000, while the actual transaction amounts were RMB0 and RMB0 respectively. The annual cap for direct lease under the New Framework Agreement for Financing Lease Related Services for the period from 29 March 2025 to 31 December 2025 was RMB400,000,000, and the cap for sale and leaseback was RMB300,000,000, while the actual transaction amounts were RMB0 and RMB258,650,000 respectively.

For details of the New Framework Agreement for Financing Lease Related Services, please refer to the announcement of the Company dated 28 March 2025.

4. ENTERING INTO FACTORING SERVICES AGREEMENT

The Company entered into the Factoring Services Agreement with Guoneng Factoring on 17 November 2023, pursuant to which, Guoneng Factoring agreed to provide the Group with factoring services (including recourse factoring, non-recourse factoring, reverse factoring, etc.) and factoring-related services such as related consulting, agency, asset management and supply chain finance platform services.

CONNECTED TRANSACTIONS

The principal terms and conditions of the agreement are set out as follows:

Guoneng Factoring will provide the Group with the following services:

- providing the Group with factoring services (including recourse factoring, non-recourse factoring, reverse factoring, etc.).
- providing the Group with other factoring-related services such as consulting, agency, asset management and supply chain finance platform services.
- the Factoring Services Agreement shall become effective from the date when it is approved by the Board of the Company, signed by the legal representatives or authorized representatives of both parties and affixed with the company seals or special contract seals, with a valid period from 17 November 2023 to 31 December 2025.
- the parties to the Factoring Services Agreement may enter into separate execution contracts for each of the specific transactions contemplated under the Factoring Services Agreement. Any such execution contracts will not exceed the scope of the Factoring Services Agreement and annual caps thereunder.
- if the provision of factoring services to the Group by Guoneng Factoring does not comply with the relevant laws and regulations and the relevant provisions of regulatory agencies resulting in damage to the Company's interests, the Company shall be indemnified against all losses.
- during the term of the Factoring Services Agreement, the annual caps of the maximum daily balance of the factoring services provided by Guoneng Factoring to the Group (including interest, factoring service fees and other related financing fees) for each of the years ending 31 December 2023, 31 December 2024 and 31 December 2025 shall be set at RMB1.2 billion.

CONNECTED TRANSACTIONS

As a financial service platform of CHN Energy, Guoneng Factoring is familiar with the development needs of the Group and is able to provide the Group with high-quality, efficient and convenient factoring services under the premise of ensuring the safety of funds. Entering into the Factoring Services Agreement will help alleviate the pressure on the Group's collection of accounts receivable and accelerate the efficiency of capital turnover; broaden the financing channels and reduce the financing cost; and improve the efficiency of capital and promote the Company's high-quality development.

As at the date of signing the agreement, CHN Energy, being the controlling shareholder of the Company, directly and indirectly holds approximately 58.56% of the issued share capital of the Company and is a connected person of the Company under Rule 14A.07 of the Listing Rules. Guoneng Factoring is a subsidiary of CHN Energy and also constitutes a connected person of the Company under Chapter 14A of the Listing Rules and therefore the Factoring Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company. As one or more of the applicable percentage ratios of the transactions contemplated under the Factoring Services Agreement are more than 0.1%, but less than 5%, they shall be subject to the reporting and announcement requirements but exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

During the Reporting Period, the cap for the maximum daily balance (including interest, factoring service fees and other related financing charges) under the Factoring Services Agreement for 2025 was RMB1,200,000,000, while the actual maximum daily balance (including interest, factoring service fees and other related financing charges) was RMB1,093,290,600.

For details of the Factoring Services Agreement, please refer to the relevant announcement of the Company dated 17 November 2023.

5. ENTERING INTO THE NEW FINANCIAL SERVICES AGREEMENT

As the Financial Services Agreement and its annual caps will expire on 31 December 2025, and the Company would continue carrying out the foregoing transactions under the Financial Services Agreement after 31 December 2025 and therefore the Company entered into the New Financial Services Agreement with China Energy Finance on 23 December 2025. Pursuant to which, China Energy Finance agreed to provide the Group with loan services, deposit services and other financial services subject to the terms and conditions provided therein. The New Financial Services Agreement has a term of 3 years commencing from 1 January 2026 and ending on 31 December 2028.

CONNECTED TRANSACTIONS

The material terms and conditions of such agreement are set out below:

Pursuant to the New Financial Services Agreement, the financial services to be provided by China Energy Finance to the Group include: provision of comprehensive credit facilities, intra-group transfer and settlement services, assistance in the receipt and payment of transaction proceeds, entrusted loans, bill acceptance and discount services; deposit services, financial and financing consultancy services for the Group, credit verification and related consultancy agency services, underwriting services, financial advisory services, funds pooling services and other services.

Among them, the provision of funds pooling services by China Energy Finance to the Group means the management by China Energy Finance of the pooling and transfer of funds between the Company and the Company's subsidiaries (being the Company's wholly-owned subsidiaries, holding companies, equity participation companies and other related party companies of the Company with independent legal personality) in the form of entrusted loan disbursement and repayment under the cash management through the cash management module of China Energy Finance's new core system. The service fee charged by China Energy Finance for the provision of funds pooling services to the Group is included in the annual caps of the total service fees charged by China Energy Finance for the provision of other financial services to the Group.

China Energy Finance is responsible for ensuring the stable operation of fund management system to safeguard the fund, and helping the Group to monitor the asset-liabilities risk so as to satisfy the compliant payment needs of the Group.

In respect of the provision of the loan services under the New Financial Services Agreement, during the valid period of the New Financial Services Agreement, the aggregated daily balance of the direct loans, bill acceptance and discounting, letter of non-finance guarantee and bond investments provided to the Group by China Energy Finance shall not exceed RMB33 billion.

In respect of the provision of the deposit services under the New Financial Services Agreement, during the valid period of the New Financial Services Agreement, the daily deposit balance (including any interest accrued thereon) for the Group's deposits with China Energy Finance shall not exceed RMB1.1 billion.

CONNECTED TRANSACTIONS

In respect of the provision of other financial services under the New Financial Services Agreement, during the valid period of the New Financial Services Agreement, the total amount of agency fees, handling fees, consulting fees, or other service fees charged by China Energy Finance for the provision of financial services (including but not limited to consulting, agency, settlement, transfer, investment, letter of credit, online banking, letter of non-finance guarantee, bill acceptance, etc.) to the Group annually shall not exceed RMB20 million.

In respect of deposit services, the operating performance and financial position of China Energy Finance have been satisfactory, with prescribed risk monitoring and good performance in supervision and management, and security level of its settlement system has reached the level of domestic commercial banks. Compared with typical commercial banks, the account supervision of China Energy Finance such as substantial payment is more stringent, and the use of its deposit services provides higher fund security; the deposit placed with China Energy Finance facilitates the settlement within the subsidiaries of the Group and between the subsidiaries of CHN Energy, and shortens the time required for transfer and turnover of funds. China Energy Finance will enable the Company to lower the cost of funds by improving the efficiency of the internal settlement and help realise optimisation of cost and operational efficiency. In addition, deposits placed with China Energy Finance would be conducive to realising centralized fund management of subsidiaries of the Group and can satisfy the flexible needs of funds of the Group; and China Energy Finance offers the Group relatively good commercial terms as compared with the domestic commercial banks.

In respect of credit services, compared with typical commercial banks in the PRC, China Energy Finance could provide the Group with stronger support and more flexible loan conditions. The collaboration between the Group and China Energy Finance may reduce finance costs, ensure the security of the capital chain and help monitor risks for the Group; China Energy Finance is familiar with the capital structure, business operation, capital needs and cash flow pattern of each subsidiary of the Group, enabling it to better forecast the capital needs of the Group. Therefore, China Energy Finance can provide flexible, convenient and low-cost services to the Group at any time; and by entering into the Financial Services Agreement with China Energy Finance, the Group opens another channel for service providers. The Group is able to cooperate with China Energy Finance, whilst not prohibited from selecting other financial and insurance institutions, including commercial banks in the PRC. The Group may freely cooperate with any institutions selected and obtain any best terms offered. Moreover, the credit services provided by China Energy Finance for the Group may increase credit for the credit provided by domestic commercial banks for the Group.

CONNECTED TRANSACTIONS

As at the date of signing the New Financial Services Agreement, CHN Energy directly and indirectly held approximately 58.72% of the issued share capital of the Company, being the controlling shareholder of the Company and a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. China Energy Finance is a subsidiary of CHN Energy and also constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the New Financial Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company. One or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the deposit services under the Financial Services Agreement exceed 0.1% but are less than 5%, and thus are subject to the requirements of annual reporting and announcement under Chapter 14A of the Listing Rules but exempt from the requirement of independent shareholders' approval; the loan services under the Financial Services Agreement are conducted on normal commercial terms, which are similar to or more favorable than those offered by independent third parties for comparable services in China as far as the Group is concerned, and the Group will not pledge any assets for the loan services. Therefore, the loan services are exempt from the requirements of annual reporting, announcement and independent shareholders' approval pursuant to Rule 14A.90 of the Listing Rules; all applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for other financial services under the Financial Services Agreement are lower than the minimum exemption threshold of 0.1% set out in Rule 14A.76 of the Listing Rules, and thus are exempt from the requirements of annual reporting, announcement and independent shareholders' approval under the Listing Rules.

For details of the New Financial Services Agreement, please refer to the relevant announcement of the Company dated 23 December 2025.

CONNECTED TRANSACTIONS

6. ENTERING INTO THE NEW FACTORING SERVICES AGREEMENT

As the Factoring Services Agreement and its annual caps expired on 31 December 2025, and the Company will continue to conduct the transactions under the aforementioned Factoring Services Agreement after 31 December 2025, the Company entered into the New Factoring Services Agreement with Guoneng Factoring on 23 December 2025. Pursuant to the agreement, Guoneng Factoring agreed to provide the Group with factoring services as well as other factoring-related services such as consulting, agency, asset management and supply chain finance platform services in accordance with the terms and conditions of the New Factoring Services Agreement. The New Factoring Services Agreement has a term of three years, commencing from 1 January 2026 and expiring on 31 December 2028.

The main terms and conditions of the agreement are set out as follows:

Pursuant to the New Factoring Services Agreement, Guoneng Factoring provides the following services to the Group:

- (1) providing accounts receivable factoring services to the Group (including recourse factoring, non-recourse factoring, reverse factoring, etc.).
- (2) providing other factoring-related services to the Group such as consulting, agency, asset management and supply chain finance platform services.

During the term of the New Factoring Services Agreement, the maximum daily balance of factoring services provided by Guoneng Factoring to the Group (including interest, factoring service fees and other related financing charges) for the years ending 31 December 2026, 31 December 2027 and 31 December 2028 is RMB1.5 billion respectively.

CONNECTED TRANSACTIONS

As a financial service platform under CHN Energy, Guoneng Factoring is familiar with the development needs of the Group and can provide high-quality, efficient and convenient factoring services to the Group on the premise of ensuring fund security. Entering into the New Factoring Services Agreement helps to reduce the pressure on the Group's accounts receivable collection, accelerate fund turnover efficiency; broaden financing channels and reduce financing costs; improve fund efficiency and promote the high-quality development of the Company. The purpose of the Company entering into the New Factoring Services Agreement with Guoneng Factoring is to fully utilize the flexibility and low interest rate advantages of factoring financing provided by Guoneng Factoring. Each member unit of the Group can flexibly choose the financing method according to its respective accounts receivable, financing needs, market interest rates and other conditions, and ensure that the actual amount carried out does not exceed the annual cap of the framework agreement.

As at the announcement date, CHN Energy directly and indirectly held approximately 58.72% of the issued share capital of the Company, being the controlling shareholder of the Company and a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. Guoneng Factoring is a subsidiary of CHN Energy and also constitutes a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the New Factoring Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company. Since one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the transactions contemplated under the New Factoring Services Agreement exceed 0.1% but are less than 5%, the New Factoring Services Agreement and the transactions contemplated thereunder are only subject to the requirements of annual reporting and announcement under Chapter 14A of the Listing Rules but exempt from the requirement of independent shareholders' approval.

For details of the New Factoring Services Agreement, please refer to the relevant announcements of the Company dated 23 December 2025 and 14 January 2026.

CONNECTED TRANSACTIONS

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors of the Company have reviewed each of the above-mentioned continuing connected transactions and confirmed that such transactions have been conducted:

1. in the usual course of business of the Group;
2. on normal commercial terms or, if there are no sufficient comparable transactions to determine whether the transaction terms are on normal commercial terms, on terms no less favourable to the Group than those available to or from independent third parties; and
3. in accordance with relevant terms of the transaction agreements, and the transaction terms are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

CONFIRMATION OF AUDITOR

The Company has engaged its external auditor to report on the Group's continuing connected transactions in accordance with "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" in Hong Kong Standard on Assurance Engagements 3000 and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their conclusions in respect of the continuing connected transactions set out above in accordance with Rule 14A.56 of the Listing Rules.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS



Mr. Gong Yufei, born in June 1971, is the secretary of the Party Committee, executive Director and Chairman of the Board of the Company. He graduated from Shandong Institute of Mining and Technology with a bachelor's degree in engineering and from Shandong University with a master's degree in business administration. He worked at Shandong International Trust and Investment Corporation (山東省國際信託投資公司) and Shandong Zhonghua Power Company, Ltd. (山東中華發電有限公司). Mr. Gong successively served as the general manager and the chairman of Shandong Guohua ERA Investment and Development Co., Ltd. (山東國華時代投資發展公司), the general manager and chairman of Shandong Branch of Guohua Energy Investment Co., Ltd. (國華能源投資有限公司山東分公司), the general manager of the Project Construction Department of Guohua Energy Investment Co., Ltd., a member of the Party Committee and the deputy general manager of CHN Energy Properties Co., Ltd. (國家能源集團置業有限公司), a member of the Party Committee, a vice president, deputy secretary of the Party Committee, executive director and the president of China Longyuan Power Group Corporation Limited.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



Mr. Wang Liqiang, born in December 1971, is the deputy secretary to the Party Committee, executive Director and president of the Company. He graduated from North China Electric Power University majoring in management engineering with a master's degree in engineering and is a senior engineer. He has successively served as deputy chief engineer, director of the Planning Department and deputy director of Handan Thermal Power Plant of GD Power Development Co., Ltd. (國電電力發展股份有限公司); general manager and secretary to the Party Committee, general manager and deputy secretary to the Party Committee of GD Inner Mongolia Jingyang Energy Co., Ltd.* (國電內蒙古晶陽能源有限公司); deputy director (division-head level) of the Engineering Department of GD Power Development Co., Ltd.; director of the Procurement Division of the Procurement and Material Management Department of China Guodian Corporation (中國國電集團公司); director of the General Department of the Material Procurement and Bidding Supervision Centre and director of the Procurement Department of the Material and Procurement Supervision Department of China Energy Investment Corporation Limited* (國家能源投資集團有限責任公司); deputy general manager and member of the Party Committee of CHN Energy Group Hebei Electric Power Co., Ltd.* (國家能源集團河北電力有限公司); and the deputy director of the Organization and Personnel Department (Human Resources Department) of China Energy Investment Corporation Limited*.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTORS



Ms. Wang Xuelian, born in March 1968, is a non-executive Director of the Company. She graduated from the Department of Transportation Management Engineering of Beijing Jiaotong University, majoring in railway transportation, with a bachelor's degree in engineering and is a senior engineer and a researcher (professor grade). She successively served as deputy director of Transportation Division in the Road and Port Coordination Department, deputy director of Planning and Design Division in the Planning Department, and manager (division-head level) of planning business in the Strategic Planning Department of Shenhua Group Corporation Limited; director of Planning Division in the Planning and Development Department and deputy general manager of the Strategic Planning Department of Shenhua Group Corporation Limited and China Shenhua Energy Company Limited (中國神華能源股份有限公司); the deputy head of the Strategic Planning Department of China Energy Investment Corporation Limited (國家能源投資集團有限責任公司), general manager and deputy secretary of the Party Committee of China Energy Group Research Institute of Technology and Economy (國家能源集團技術經濟研究院) (China Energy Economy and Technology Institute Co., Ltd. (國能經濟技術研究院有限責任公司)). She currently serves as the first-level business director of China Energy Group Research Institute of Technology and Economy (China Energy Economy and Technology Institute Co., Ltd.).

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



Mr. Zhang Tong, born in April 1973, is a non-executive Director of the Company. He graduated from Zhongnan University of Economics and Law, holds a master of laws and is a senior economist. Mr. Zhang successively served as deputy director and director of the Legal and Political Research Department (Economic Restructuring Office) and deputy director of the Corporate Management and Legal Affairs Department of China Guodian Corporation (中國國電集團公司); deputy director of the Legal Affairs Department, deputy director of the Corporate Management and Legal Affairs Department, deputy general counsel and deputy director (director level) of the Corporate Management and Legal Affairs Department (Reform Office) of China Energy Investment Corporation Limited (國家能源投資集團有限責任公司). He currently serves as the deputy director (director level) of the Corporate Management and Legal Affairs Department (Reform Office) of China Energy Investment Corporation Limited and deputy secretary of the Party Committee of CHN Energy Shendong Coal Group Co., Ltd.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



Mr. Wang Yong, born in January 1974, is a non-executive Director of the Company. He graduated from Northwestern University with a PhD in Finance. He successively served as an assistant professor of the School of Accounting and Finance of The Hong Kong Polytechnic University; a specially-invited expert of China Securities Capital Market Operation Statistics Monitoring Centre* (中證資本市場運行統計監測中心); and an assistant to the general manager and the general manager of the financial engineering department, a member of the Party Committee, an assistant to the general manager and the general manager of the financial engineering department of China Everwin Asset Management Co., Ltd.* (華夏久盈資產管理有限責任公司). He currently serves as a member of the Party Committee, the deputy general manager and the general manager of the Equity Investment Centre of China Everwin Asset Management Co., Ltd.*.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS



Mr. Michael Ngai Ming Tak, born in May 1967, is an independent Director of the Company. He graduated from University of Cambridge. He has served as an independent Director of the Company since November 2021. He currently serves as the chairman of The Red Group, the chairman of Asia GreenTech Fund, the external director of China Merchants Group Limited, an independent non-executive director of CRRCL Corporation Limited (HKSE: 01766, SHSE: 601766), an independent non-executive director of True Partner Capital Holding Limited (HKSE: 08657), an independent non-executive director of Sanergy Group (Hong Kong) Limited (HKSE: 02459), an independent non-executive director of Seres Group Co., Ltd. (SHSE: 601127, HKSE: 09927) and have a wealth of experience in the international financial sector. Professor the Honourable Michael is also a member of the 12th, 13th and 14th National Committee of the Chinese People's Political Consultative Conference, a member of the 8th Legislative Council of Hong Kong SAR, chairman of the Hong Kong Finance Association, council chairman of City University of Hong Kong, a fellow commoner of Clare Hall, University of Cambridge, and an honorary fellow of Lingnan University.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



Mr. Gao Debu, born in October 1955, is an independent Director of the Company. He graduated from the Faculty of Economics of Renmin University of China with a doctorate degree in economics. He has served as an independent Director of the Company since November 2021. He successively served as the deputy director of the Faculty of Economics of Renmin University of China, the vice dean of the School of Economics and the head of the organization department under the Party Committee of Renmin University of China. He was a senior visiting scholar at University of California, Los Angeles (UCLA), the US in 2002. He is currently a professor and doctoral supervisor of the School of Economics of Renmin University of China, undertook and completed various national, provincial and ministerial level research projects.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



Ms. Zhao Feng, born in February 1969, is an independent Director of the Company. She graduated from Nankai University with a bachelor degree in accounting and auditing. She is a PRC Certified Public Accountant, a fellow of the Association of Chartered Certified Accountants (FCCA) and a member of Hong Kong Institute of Certified Public Accountants (HKICPA). She has served as an independent Director of the Company since November 2021. She served as an auditor of Arthur Andersen Hua Qiang Certified Public Accountants (安達信華強會計師事務所), the chief financial officer of East Asiatic Company (PRC), the chief financial officer and the general manager of Denmark Wangtai Communications Technology (PRC) (丹麥網泰通訊科技(中國)), the chief financial officer of Apple Inc. (PRC), the chief financial officer and the general manager of Infront Sports & Media (PRC), and an independent director of Shenzhen Weiye Decoration Group Co., Ltd. (深圳市維業裝飾集團股份有限公司) (SZSE: 300621). She is currently an independent non-executive director of Shandong Gold Mining Co., Ltd. (SHSE: 600547, HKSE: 01787), an independent non-executive director of Xiamen International Bank (廈門國際銀行), and a non-executive director of China International Marine Containers (Group) Co., Ltd. (SZSE: 000039, HKSE: 02039).

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

EMPLOYEE DIRECTOR



Mr. Liu Jintao, born in November 1971, is an employee director of the Company. Mr. Liu has a college degree and is a second-class legal advisor of state-owned enterprises. Mr. Liu has successively served as the general manager of Longyuan Power Group (Shanghai) Wind Power Co., Ltd.* (龍源電力集團(上海)風力發電有限公司); the secretary of the Party Branch and chairman of the board of directors of Longyuan Power Group (Shanghai) New Energy Co., Ltd.* (龍源電力集團(上海)新能源有限公司); the director of the Corporate Operation and Legal Affairs Department, the director of the Organizational Human Resources Department, Employee Representative Supervisor of China Longyuan Power Group Corporation Limited*; and currently the director of the Organizational Human Resources Department of China Longyuan Power Group Corporation Limited*.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT



Mr. Wang Liqiang, born in December 1971, is the deputy secretary to the Party Committee, executive Director and president of the Company. He graduated from North China Electric Power University majoring in management engineering with a master's degree in engineering and is a senior engineer. He has successively served as deputy chief engineer, director of the Planning Department and deputy director of Handan Thermal Power Plant of GD Power Development Co., Ltd. (國電電力發展股份有限公司); general manager and secretary to the Party Committee, general manager and deputy secretary to the Party Committee of GD Inner Mongolia Jingyang Energy Co., Ltd.* (國電內蒙古晶陽能源有限公司); deputy director (division level) of the Engineering Department of GD Power Development Co., Ltd.; director of the Procurement Division of the Procurement and Material Management Department of China Guodian Corporation (中國國電集團公司); director of the General Department of the Material Procurement and Bidding Supervision Centre and director of the Procurement Department of the Material and Procurement Supervision Department of China Energy Investment Corporation Limited* (國家能源投資集團有限責任公司); deputy general manager and member of the party committee of CHN Energy Group Hebei Electric Power Co., Ltd.* (國家能源集團河北電力有限公司); and the deputy director of the Organization and Personnel Department (Human Resources Department) of China Energy Investment Corporation Limited*.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



Ms. Yang Wenjing, born in August 1969, is a member of the Party Committee, the chief accountant of the Company. She graduated from Central University of Finance and Economics majoring in accounting, with a doctoral degree in management. She is a senior accountant. She successively served as deputy head of the Fund Management Division of the Finance Department, senior head of assets and equity of the Finance and Equity Management Department and manager for fund management of the Finance and Equity Management Department of Guohua (Beijing) Electric Power; performance convenor of the Finance and Equity Operation Department, manager of the Finance and Assets Department, manager of the Finance and Equity Department of Guohua Electric Power Company of China Shenhua Energy Company, manager of the Finance Department of CSEC Guohua International Power Company Limited, deputy chief accountant, manager of the Finance and Equity Department of Guohua Electric Power Company and manager of the Finance Department, deputy chief accountant of CSEC Guohua International Power Company; deputy general manager of the Finance Department of China Shenhua Energy Company; deputy general manager, chief financial officer of Shenhua Trading Group Co., Ltd.; chief accountant, member of the Party Committee of the coal operation branch of CHN Energy (Shenhua Trading Group Co., Ltd.).

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



Ms. Ding Jing, born in November 1969, is a vice president and the Secretary to the Board of the Company. She graduated from Beijing Normal University with a master degree in environmental science. She is a senior engineer. She successively served as a deputy director of strategic projects in China of World Wide Fund For Nature (Switzerland), Beijing Representative Office (世界自然基金會(瑞士)北京代表處); deputy director of Technology Management Department (International Cooperation Department) of Guodian New Energy Technology Research Institute (國電新能源技術研究院); head of Integrated Management Division of International Cooperation and Overseas Business Department of China Guodian Corporation (中國國電集團公司); assistant and deputy director of Office of Cooperation with the United States of CHN Energy; deputy director of International Cooperation Department (Overseas Cooperation Department, Office of Cooperation with the United States) of CHN Energy.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



Mr. Xia Hui, born in February 1973, is a member of the Party Committee and a vice president of the Company. He graduated from Shenyang Gold Institute with a college degree majoring in industrial and electric automation, and is a bachelor in engineering and senior engineer. He successively served as deputy director and director of Repair Department of Xinjiang Wind Power Plant (新疆風力發電廠); deputy chief engineer of Xinjiang Wind Power Plant; deputy general manager of Gansu Jieyuan Wind Power Generation Co., Ltd. (甘肅潔源風電有限責任公司); deputy general manager of Beijing Zhongneng Lianchuang Wind Power Technology Company Limited (北京中能聯創風電技術有限公司); a member of the Party Committee of Zhongneng Power-Tech Development Co., Ltd. (中能電力科技開發有限公司); a member of the Party committee and deputy general manager of Longyuan (Beijing) Wind Power Projects Technology Co., Ltd. (龍源(北京)風電工程技術有限公司); deputy director of Safety Production Department of China Longyuan Power Group Corporation Limited; secretary of the Party committee, secretary of the discipline inspection committee and deputy general manager of Longyuan Ningxia Wind Power Generation Co., Ltd. (龍源寧夏風力發電有限公司); general manager and deputy secretary of the Party Committee of Longyuan (Beijing) Wind Power Projects Technology Co., Ltd.; secretary of the Party Committee and chairman of the board of directors of Longyuan (Beijing) Wind Power Projects Technology Co., Ltd.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



Mr. Li Xingyun, born in July 1972, is a member of the Party Committee, vice president of the Company and chairman of the Labour Union. He graduated from Wuhan University of Water Resources and Electric Power and is a senior engineer. He previously worked at China Energy Power Technology Development Co., Ltd., Longyuan Hubei Wind Power Project Preparation Office, and Longyuan Hunan Wind Power Project Preparation Office. He successively served as the general manager and deputy secretary of the Party Committee of Ningxia Longyuan New Energy Co., Ltd., general manager and deputy secretary of the Party Committee of Longyuan (Beijing) Carbon Asset Management Technology Co., Ltd., director of the Office, director of the Science and Technology and Information Department, and director of the Planning and Development Department (Base Project Office) of China Longyuan Power Group Corporation Limited.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



Mr. Shi Wenyi, born in June 1983, is a member of the Party Committee and vice president of the Company. He graduated from Inner Mongolia Agricultural University with a bachelor's degree. He is a holder of master's degree in engineering, and is a senior engineer. He once worked in Guohua (Hebei) New Energy Co., Ltd. (國華(河北)新能源有限公司) and Bayan Nur Branch of Guohua Co. (國華巴彥淖爾分公司). He once successively served as the assistant general manager of Bayan Nur Branch of Guohua Energy Investment Co., Ltd. (國華能源投資有限公司巴彥淖爾分公司); the vice general manager and a member of the Party Committee of Hebei Branch of Guohua Energy Investment Co., Ltd. (國華能源投資有限公司河北分公司); the general manager (acting chairman of the board of directors), secretary of the Party Branch and chairman of the board of directors (legal representative) of Guoneng Yuanjing (Hainan) Integrated Intelligent Energy Co., Ltd.; the chairman of the board of directors of Integrated Intelligent Energy Branch of Guohua Energy Investment Co., Ltd. (國華能源投資有限公司綜合智慧能源分公司) and the vice general manager of the planning and development department of Guohua Energy Investment Co., Ltd.; the vice chairman of the board of directors and deputy secretary of the Party Committee of Hebei Branch of Guohua Energy Investment Co., Ltd. (國華能源投資有限公司河北分公司) and the secretary of the Party Committee and chairman of the board of directors of Hebei Branch of Guohua Energy Investment Co., Ltd.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

COMPANY SECRETARY



Ms. Chan Sau Ling, was appointed as one of the joint Company secretaries from 26 October 2017 to 12 November 2021, and has served as the Company secretary since 12 November 2021. She is a director of the Corporate Services Division of Tricor Services Limited (卓佳專業商務有限公司) (“Tricor”). Ms. Chan is a Chartered Secretary and a Fellow of the Chartered Institute of Corporate Governance (formerly known as the Institute of Chartered Secretaries and Administrators) and the Hong Kong Institute of Chartered Secretaries. Ms. Chan has extensive experience in the corporate service field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. (Note: The Company has engaged Tricor as external service provider and appointed Ms. Chan Sau Ling as the Company’s secretary.)

SOCIAL RESPONSIBILITIES

I. PERFORMANCE OF SOCIAL RESPONSIBILITIES

In 2025, the Group actively fulfilled its social responsibilities, the details of which are set out in the Company's 2025 Sustainability Report, which was disclosed concurrently with this report.

II. CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS OF POVERTY ALLEVIATION AND RURAL REVITALIZATION

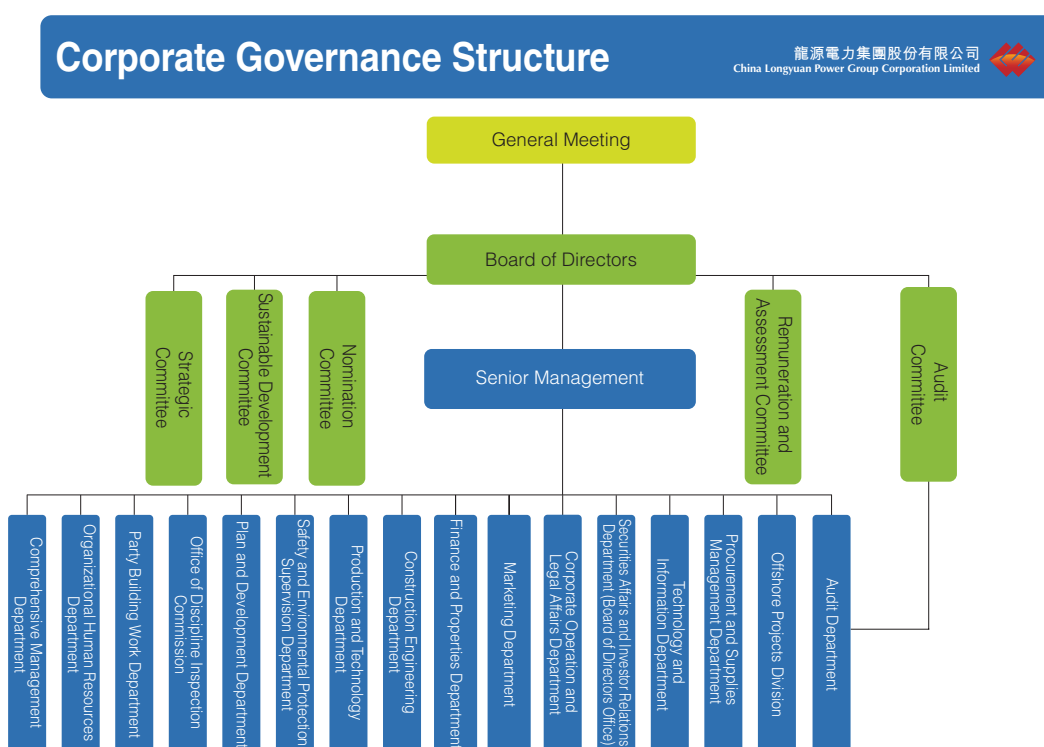
In 2025, the Group actively consolidated and expanded the achievements of poverty alleviation efforts and participated in rural revitalization. For further details, please refer to the Company's 2025 Sustainability Report, disclosed concurrently with this report.

CORPORATE GOVERNANCE REPORT

The Board of the Company hereby presents to the Shareholders the corporate governance report for the year ended 31 December 2025.

The Company has complied with the Code Provisions as set out in the Corporate Governance Code in Appendix C1 to the Listing Rules of the Hong Kong Stock Exchange. For the recommended best practices, the Company strives to implement them to the largest extent based on the Company's actual management conditions. Meanwhile, the Board also monitors and reviews the existing corporate governance on a regular basis with the aim of constantly advocating and carrying out a sound standard of corporate governance. The Board of the Company is responsible for performing the corporate governance duties set out in the terms of reference in the Code Provision A.2.1 of the Corporate Governance Code.

The corporate governance structure of the Company is set out as follows:



CORPORATE GOVERNANCE REPORT

CORPORATE CULTURE

The Company is committed to ensuring that its business is operated with high standards of business ethics, reflecting the Company's firm belief that in order to achieve long-term business objectives, it must act with integrity, transparency and accountability. The Company believes that by doing so, it will maximise returns for shareholders in the long run, and employees, business partners and the communities in which the Company operates will also benefit.

Corporate governance is the process by which the Board directs the management of the Group on how to operate the business to achieve business objectives. The Board is committed to maintaining and establishing sound corporate governance practices to ensure:

- to deliver satisfactory and sustainable returns for shareholders
- to protect the interests of those having business dealings with the Company
- to understand and appropriately manage overall business risks
- to maintain high standards of business ethics

For details on the Company's practices regarding corporate culture, values, and strategies, please refer to the "2025 Sustainability Report" which will be disclosed separately by the Company.

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for performing the corporate governance duties of the Company, which are specifically as follows: (1) formulating and reviewing the Company's policies and practices on corporate governance; (2) reviewing and monitoring the training and continuous professional development of Directors and senior management; (3) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (4) formulating, reviewing and monitoring the code of conduct of employees and Directors; and (5) reviewing the Company's compliance with the Corporate Governance Code and the disclosures in the Corporate Governance Report contained in the annual report.

CORPORATE GOVERNANCE REPORT

As a company listed on the Hong Kong Stock Exchange, the Company is committed to maintaining a high standard of corporate governance practices. For the year ended 31 December 2025, the Company has been complying with all the Code Provisions and, where appropriate, adopted certain recommended best practices as set out in the Corporate Governance Code in Appendix C1 of the Listing Rules.

Corporate governance practices adopted by the Company are summarised below:

1. The Board

The Board exercises its powers and functions in accordance with the provisions as set out in the Articles of Association. The Board follows the principle of acting in the best interest of the Company and its Shareholders, reports its works at general meetings, implements the resolutions passed at general meetings and is accountable to the general meetings.

1.1 Composition of the Board

As of the Latest Practicable Date, the Board consisted of nine Directors, including two executive Directors, four non-executive Directors and three independent non-executive Directors.

The biographical details of the Directors as at the Latest Practicable Date are set out in the section of Biographies of Directors and Senior Management of this annual report. There are no relationships (including financial, business, family or other material or relevant relationship) among members of the Board and any senior management personnel. The structure of the Board is well balanced with each Director having sound knowledge, experience and expertise relevant to the business operation and development of the Group. All Directors are aware of their joint and several responsibilities to the Shareholders.

CORPORATE GOVERNANCE REPORT

Since the listing of the Company, the Board has been in compliance with the requirement under Rule 3.10(1) of the Listing Rules requiring the appointment of at least three independent non-executive Directors. It has also complied with the subsequent new requirement of Rule 3.10A of the Listing Rules which requires that independent non-executive Directors shall represent at least one third of the Board. The Company is also in compliance with Rule 3.10(2) of the Listing Rules regarding the qualifications requirement of at least one of the independent non-executive Directors. In addition, the Company has received annual confirmations from independent non-executive Directors as to their respective independence in accordance with Rule 3.13 of the Listing Rules. The Company therefore believes that all independent non-executive Directors are independent as required under the Listing Rules.

Upholding its belief that the increasing diversity at the Board level is one of the essential elements in supporting the attainment of its strategic objectives and its sustainable development, the Company formulated the Board Diversity Policy in October 2013. While determining the composition of the Board, the Company shall consider the diversity of the Board from various perspectives, including but not limited to gender, age, cultural and educational background, professional experiences, skills, knowledge and service tenure, and finally make decisions based on the value of candidates and contributions they can bring to the Board. The ultimate decision will be based on the merit and contribution that the selected candidates will bring to the Board. All Board nominations will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The nomination committee will report the composition of the Board at a diversity level in the annual report each year, supervise the implementation of the Board Diversity Policy and review the policy when appropriate to ensure its effectiveness. The nomination committee will discuss any amendments to the Board Diversity Policy when necessary and propose such amendments to the Board for approval.

CORPORATE GOVERNANCE REPORT

As at the Latest Practicable Date, the current composition of the Board of the Company is set out as follows:

Name	Position in the Company	Date of first appointment	Date of appointment for current term
Gong Yufei	Chairman of the Board	24 May 2024	29 October 2025
	Executive Director	15 June 2023	29 October 2025
Wang Liqiang	President	24 May 2024	29 October 2025
	Executive Director	27 June 2024	29 October 2025
Wang Xuelian	Non-executive Director	06 June 2024	29 October 2025
Zhang Tong	Non-executive Director	28 August 2024	29 October 2025
Wang Yong	Non-executive Director	20 December 2024	29 October 2025
Liu Jintao	Employee Director	29 October 2025	29 October 2025
Michael Ngai Ming Tak	Independent non-executive Director	12 November 2021	29 October 2025
Gao Debu	Independent non-executive Director	12 November 2021	29 October 2025
Zhao Feng	Independent non-executive Director	12 November 2021	29 October 2025

Note: Pursuant to Article 123 of the Articles of Association, each term of office for the members of the Board shall be three years, and they may be re-elected and serve consecutive terms.

CORPORATE GOVERNANCE REPORT

The Board of Directors consists of nine Directors with different backgrounds in engineering, finance, economics, accounting, and management, and different ages, and female Directors account for 22.2% of the total number of Directors. The composition of the Board is in compliance with the gender diversity requirements of the Board under the Listing Rules and is in line with the Company's Board Diversity Policy. The Company appreciates the importance and benefits of gender diversity on the Board. The Company's nomination policy and the Board Diversity Policy ensure that the Board will have alternative potential successors to continue the existing gender diversity on the Board. For the Company, the composition of the current Board presents diversity in terms of skills, gender, experience and knowledge as follows:

Gender Diversity	Number of Directors	Percentage of Board Members
Male	7	77.8%
Female	2	22.2%

Diversity in Educational Background	Number of Directors	Percentage of Board Members
Bachelor degree	3	33.3%
Master degree	4	44.4%
Doctor degree	2	22.2%

Diversity in Skills, Experience and Knowledge	Number of Directors	Percentage of Board Members
Accounting, finance or economics related	6	66.7%
Enterprise management	8	88.9%
Industry knowledge	5	55.6%

CORPORATE GOVERNANCE REPORT

1.2 Board Meetings

Pursuant to the Articles of Association, the Board is required to hold at least four meetings each year, to be convened by the Chairman of the Board. A notice shall be given at least 14 days before a regular Board meeting. The notice shall state relevant information such as the time, venue, agenda and the subject matters to be discussed, etc.

Except for the Board's consideration of matters in relation to connected/related party transactions as stipulated by the Articles of Association, the quorum for a Board meeting is at least half of the total number of the Directors. A Director can attend the Board meeting in person, or appoint another Director in writing as his proxy to attend the Board meeting. The secretary to the Board is responsible for preparing and keeping the minutes of Board meetings and ensuring that such minutes are available for inspection by any Director.

The details regarding Board meetings convened in the Reporting Period and the attendance of Directors at such meetings are set out in the Directors' Report in this report.

The Board of Directors confirms that corporate governance shall be collective responsibility of the Directors, and the corporate governance functions include the following:

1. Formulating and reviewing the issuer's policies and practices on corporate governance and making recommendations to the Board;
2. Reviewing and monitoring the training and continuous professional development of the Directors and senior management;
3. Reviewing and monitoring the issuer's policies and practices on compliance with legal and regulatory requirements;
4. Formulating, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
5. Reviewing the issuer's compliance with the Corporate Governance Code and disclosures in the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

1.3 Powers Exercised by the Board and the Management

The powers and duties of the Board and the management are expressly stipulated in the Articles of Association, which aim to provide adequate check and balance mechanism for good corporate governance and internal control.

The Board is responsible for deciding on the Company's business and investment plans, deciding on the establishment of the Company's internal management structure, formulating the Company's basic administration rules, determining other material business and administrative matters of the Company and monitoring the performance of the management.

Led by the President, the management of the Company is responsible for implementing the resolutions approved by the Board and administering the Company's day-to-day operation and management.

1.4 Chairman and President

The roles of the Chairman of the Board and President (i.e. the chief executive pursuant to the relevant Listing Rules) of the Company are separate and held by different persons to ensure their respective independence of responsibilities, accountability and the balance of power and authority between them. The Board considered and approved the Rules of Procedures of the Board Meeting and the Terms of Reference of the Senior Management of the Company, which clearly defined the division of duties between the Chairman and the President.

The Chairman of the Board leads the Board to determine the overall development plan of the Company, ensures the effective operation of the Board, performs the due obligation and discusses all important and appropriate matters timely; ensures the Company formulate sound corporate governance practices and procedures; and ensures the acts of the Board conform to the best interests of the Company and its Shareholders as a whole. The President is primarily responsible for the daily operation management of the Company, including organizing the implementation of the resolutions of the Board and making daily decisions, etc.

CORPORATE GOVERNANCE REPORT

1.5 Appointment and Re-election of Directors

Pursuant to the Articles of Association, the Directors shall be elected at the general meetings with a term of office of three years subject to re-election. The Company has implemented a set of effective procedures for appointment of new Directors. Nomination of new Directors shall be first considered by the nomination committee whose recommendations will then be put forward to the Board for consideration, and elected and approved at the general meetings.

The Company has entered into service contracts with each of the Directors (including non-executive Directors). Such service contracts are for a term commencing from the date of appointment to the expiry of the current session of the Board.

For details of the appointment and re-election of Directors during the Reporting Period, please refer to the “DIRECTORS AND SENIOR MANAGEMENT” section of DIRECTORS’ REPORT.

1.6 Directors’ Remuneration

The remuneration and assessment committee makes recommendations in respect of Directors’ remuneration according to criteria such as educational background and work experience. Directors’ remuneration is determined by the Board, subject to approval at general meeting, with reference to Directors’ experience, work performance, positions and market conditions.

1.7 Independent View and Opinions

The Board has established mechanisms to ensure that the Board obtains independent views and opinions, and the Board has also reviewed the implementation and effectiveness of such mechanisms annually. According to the Articles of Association and other provisions, the number of independent non-executive Directors is not less than 3, accounting for at least one third of the number of the Board. The Board also evaluates the independence of independent non-executive Directors every year to ensure that such persons can continue to make independent judgments. In addition, the Chairman and independent non-executive Directors also hold separate meetings on the business, finance, corporate governance and other matters of the Company.

CORPORATE GOVERNANCE REPORT

The Company has established the independent Director system to stipulate the qualifications and responsibilities of independent Directors. According to the Articles of Association and other provisions, in addition to those powers vested to independent Directors by the Company Law, other relevant laws and regulations and the listing rules of the stock exchanges on which the Company's shares are listed and the Articles of Association, independent Directors shall have the following special functions and powers with the consensus of more than one half of or all independent Directors: proposing to the Board with respect to the holding of extraordinary general meetings; proposing the holding of Board meetings; independently appointing external audit firms or consultancies to carry out audits, consultations and verifications on specific issues; major connected transactions shall be recognised by independent Directors before being submitted to the Board for discussion; publicly soliciting Shareholders' rights from Shareholders in accordance with the law, etc.

During the Reporting Period, the Board has complied with the above relevant requirements and the above mechanism has been effective in providing independent views and opinions to the Board.

2. Board Committees

There are five Board committees, namely the audit committee (its work summary for the year shall include its performance in reviewing the risk management and internal audit systems and confirming the effectiveness of the Company's internal audit function unless such matters are handled by a separate risk committee or the Board itself), remuneration and assessment committee, nomination committee, strategic committee and sustainable development committee.

2.1 Audit Committee

As at the Latest Practicable Date, the audit committee consists of three Directors: Ms. Wang Xuelian (non-executive Director), Mr. Michael Ngai Ming Tak (independent non-executive Director) and Ms. Zhao Feng (independent non-executive Director). Ms. Zhao Feng serves as the chairlady of the audit committee.

The audit of the risk management system of the Company is included in the Terms of Reference of the Audit Committee.

CORPORATE GOVERNANCE REPORT

The primary responsibilities of the Audit Committee are as follows: to examine the Company's financial affairs; to supervise the performance of duties by the Directors and senior management in their corporate roles, and to make recommendations for the removal of any Director or senior management who violates the laws, administrative regulations, the Articles of Association or the resolutions of the general meetings; to require the aforesaid persons to rectify their conduct when the acts of the Company's Directors or senior management harm the Company's interests; to review the Company's financial information and its disclosure, and may entrust certified public accountants or practicing auditors to conduct a re-examination in the Company's name if any doubts are identified; to propose the convening of an extraordinary general meeting, and to convene and preside over the general meeting if the Board fails to perform its duty of convening and presiding over the general meeting as stipulated by the Company Law; to organize and advance the Company's legal compliance development and listen to reports on the progress of the Company's legal compliance work; to put forward proposals to the general meeting; to communicate with the Directors and senior management on behalf of the Company and to institute legal proceedings against the directors and senior management in accordance with the provisions of the Company Law of the People's Republic of China; to propose the convening of an extraordinary meeting of the Board; to conduct investigations if any abnormalities are found in the Company's business operations; to engage professional institutions such as accounting firms and law firms to assist its work when necessary, with the expenses borne by the Company; to supervise and evaluate the work of the accounting firm and propose the engagement or replacement of the accounting firm; to supervise and evaluate the internal audit work; to coordinate the communication between the management layer, the Company's internal audit department and relevant departments with the accounting firm; to supervise and evaluate the Company's internal control and risk management; and to exercise other powers as stipulated by laws and regulations, the securities listing rules of the place where the Company's shares are listed and the Articles of Association. During the year 2025, there were no differing opinions between the Audit Committee and the Board of the Company in respect of the selection, appointment, resignation or dismissal of the external auditor.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, the audit committee held a total of seven meetings, details of which are as follows:

On 24 January 2025, the 2025 first meeting of the audit committee of the fifth session of the Board was held, at which two proposals were considered and approved.

On 21 March 2025, the 2025 second meeting of the audit committee of the fifth session of the Board was held, at which nine proposals were considered and approved.

On 25 April 2025, the 2025 third meeting of the audit committee of the fifth session of the Board was held, at which two proposals were considered and approved.

On 15 August 2025, the 2025 fourth meeting of the audit committee of the fifth session of the Board was held, at which five proposals were considered and approved.

On 27 October 2025, the 2025 fifth meeting of the audit committee of the fifth session of the Board was held, at which one proposal was considered and approved.

On 14 November 2025, the 2025 first meeting of the audit committee of the sixth session of the Board was held, at which one proposal was considered and approved.

On 16 December 2025, the 2025 second meeting of the audit committee of the sixth session of the Board was held, at which one proposal was considered and approved.

CORPORATE GOVERNANCE REPORT

Details of the attendance of the meetings are as follows:

Name of Committee Members	Number of Meetings	
	Attended/due to attend	Attendance Rate
Wang Xuelian	2/2	100%
Michael Ngai Ming Tak	7/7	100%
Zhao Feng	7/7	100%
Chen Jie	5/5	100%

Notes:

1. Ms. Chen Jie resigned from her positions as a non-executive Director and a member of the audit committee of the Company on 29 October 2025 due to a change in her work assignment.
2. Ms. Wang Xuelian has served as a member of the audit committee since 29 October 2025.

During the Reporting Period, the audit committee has reviewed the proposals and reports on periodic results, internal control evaluation, internal control audit, risk assessment and the accountants' performance. For detailed information about the Company's review of risk management and internal control systems, please refer to "Risk Management and Internal Control" section of this report.

2.2 Remuneration and Assessment Committee

As at the Latest Practicable Date, the remuneration and assessment committee consists of three Directors: Ms. Wang Xuelian (Non-executive Director), Mr. Michael Ngai Ming Tak (independent non-executive Director) and Mr. Gao Debu (independent non-executive Director). Mr. Michael Ngai Ming Tak is the chairman of the remuneration and assessment committee.

The Company has adopted the approach that the remuneration and assessment committee makes recommendations to the Board for determining the remuneration packages of executive Directors and senior management.

CORPORATE GOVERNANCE REPORT

Primary responsibilities of the remuneration and assessment committee: formulate assessment criteria for Directors and senior management and conduct assessments, formulate and review the remuneration policies and plans for Directors and senior management. The specific responsibilities include but are not limited to reviewing and approving the performance-linked remuneration system with reference to the Company's policies and objectives adopted by the Board, and supervising the implementation of the Company's remuneration system; considering the remuneration paid by peer companies, the time and responsibilities to be devoted, and the employment terms of other positions within the Group; reviewing and approving the compensation related to the resignation and termination of executive Directors and senior management to ensure that such compensation is consistent with the relevant contractual terms; if inconsistent with the relevant contractual terms, the compensation shall also be fair and reasonable; reviewing and approving the compensation arrangements involving the dismissal or removal of the relevant Directors due to misconduct of Directors to ensure that such arrangements are consistent with the relevant contractual terms; ensuring that no Director or any of its associates shall participate in determining his own remuneration; making voting recommendations to shareholders if the Directors' service contracts require shareholder approval in accordance with the Hong Kong Listing Rules, and other matters authorized by the Board or stipulated in the Articles of Association.

During the Reporting Period, the remuneration and assessment committee held one meeting, details of which are as follows:

On 21 March 2025, the 2025 first meeting of the remuneration and assessment committee of the fifth session of the Board was held, at which four proposals were considered and approved.

CORPORATE GOVERNANCE REPORT

Details of the attendance of the meeting are as follows:

Name of Committee Members	Number of Meeting	
	Attended/due to attend	Attendance Rate
Wang Xuelian	0/0	/
Michael Ngai Ming Tak	1/1	100%
Gao Debu	1/1	100%
Zhang Tong	1/1	100%

Notes:

1. Mr. Zhang Tong has ceased to be a member of the remuneration and assessment committee since 29 October 2025.
2. Ms. Wang Xuelian has served as a member of the remuneration and assessment committee since 29 October 2025.

During the Reporting Period, the remuneration and assessment committee reviewed the 2025 overall remuneration plan for the Directors and senior management and the results of the business performance appraisal of the members of the management layer.

2.3 Nomination Committee

As at the Latest Practicable Date, the nomination committee consists of three Directors: Mr. Wang Yong (non-executive Director), Mr. Gao Debu (independent non-executive Director) and Ms. Zhao Feng (independent non-executive Director). Mr. Gao Debu is the chairman of the nomination committee.

The primary responsibilities of the nomination committee are as follows: review the structure, size and composition of the Board, and make recommendations to the Board on any proposed changes to the Board in accordance with the company's corporate strategy; identify individuals with appropriate qualifications to serve as Directors, and select and nominate such individuals for appointment as Directors or provide advice to the Board in this regard; assess the independence of independent Directors; make recommendations to the Board on matters relating to the appointment or re-appointment of Directors and the succession planning for Directors; assist the Board in preparing the Board skills matrix, support the listed company in conducting regular assessments of the Board's performance, and exercise other powers delegated by the Board.

CORPORATE GOVERNANCE REPORT

In accordance with the Board Diversity Policy issued by the Company in October 2013, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All Board nominations will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on the merit and contributions that the selected candidates will bring to the Board. The nomination committee shall supervise the implementation of the Board Diversity Policy and review the policy when appropriate to ensure its effectiveness. Meanwhile, the nomination committee will discuss any amendments to the Board Diversity Policy when necessary and propose such amendments to the Board for the approval of the Board. The nomination committee considered that during the Reporting Period, the composition of the members of the Board was in accordance with the requirements of the Board Diversity Policy.

In order to implement the Board's diversity policy, the following measurable objectives have been achieved:

1. the Board has independent non-executive Directors representing more than one-third of the Board;
2. at least one of the independent non-executive Directors has professional qualifications in line with the regulatory requirements.

CORPORATE GOVERNANCE REPORT

During the Reporting Period, the nomination committee held two meetings, details of which are as follows:

On 10 October 2025, the 2025 first meeting of the nomination committee of the fifth session of the Board was held, at which one proposal was considered and approved.

On 29 October 2025, the 2025 second meeting of the nomination committee of the fifth session of the Board was held, at which two proposals were considered and approved.

Details of the attendance of the meetings are as follows:

Name of Committee Members	Number of Meeting	
	Attended/due to attend	Attendance Rate
Gao Debu	2/2	100%
Zhao Feng	2/2	100%
Wang Yong	2/2	100%

During the Reporting Period, the nomination committee reviewed the qualifications and backgrounds of the candidates for the Board's term renewal.

2.4 Strategic Committee

As at the Latest Practicable Date, the strategic committee consists of five Directors: Mr. Gong Yufei (executive Director), Mr. Wang Liqiang (executive Director), Ms. Wang Xuelian (non-executive Director), Mr. Zhang Tong (non-executive Director) and Mr. Liu Jintao (non-executive Director). Mr. Gong Yufei is the chairman of the strategic committee.

CORPORATE GOVERNANCE REPORT

The primary responsibilities of the strategic committee are as follows: study and make recommendations on the Company's development strategy and planning; study and make recommendations on major investment decisions subject to the approval of the general meeting and the Board; study and make recommendations on other significant matters affecting the Company's development and be responsible for other matters authorized by the Board.

During the Reporting Period, the strategic committee held two meetings, details of which are as follows:

On 21 March 2025, the 2025 first meeting of the strategic committee of the fifth session of the Board was held, at which one proposal was considered and approved.

On 23 December 2025, the 2025 first meeting of the strategic committee of the sixth session of the Board was held, at which one proposal was considered and approved.

Details of the attendance of the meetings are as follows:

Name of Committee Members	Number of Meeting	
	Attended/due to attend	Attendance Rate
Gong Yufei	2/2	100%
Wang Liqiang	2/2	100%
Wang Xuelian	2/2	100%
Zhang Tong	2/2	100%
Liu Jintao	1/1	100%

Notes:

1. The members of the strategic committee has increased from four to five members since 29 October 2025.
2. Mr. Liu Jintao has served as a member of the strategic committee since 29 October 2025.

During the Reporting Period, the strategic committee reviewed the arrangement of the Company's 2025 annual comprehensive plan targets, understood the implementation of the Company's strategic planning and provided comments thereon.

CORPORATE GOVERNANCE REPORT

2.5 Sustainable Development Committee

On 15 February 2023, the Board established the sustainable development committee. As at the Latest Practicable Date, the sustainable development committee comprises three Directors, namely Mr. Wang Liqiang (executive Director), Mr. Michael Ngai Ming Tak (independent non-executive Director) and Ms. Zhao Feng (independent non-executive Director). Mr. Wang Liqiang is the chairman of the sustainable development committee.

The primary responsibilities of the sustainable development committee are as follows: pay attention to the important information on sustainability matters relevant to the Company's business, study and make recommendations on the Company's sustainable development strategy, policies and measures; study and provide decision-making consultation and recommendations on the Company's sustainable development and ESG governance; assess and supervise the implementation of the Company's ESG governance performance, risks and proposed response strategies; follow up on the requirements of national policies, laws and regulations in a timely manner and guide the Company's ESG-related work; supervise the Company to disclose relevant information in accordance with the sustainability information disclosure requirements; review the Company's annual sustainability report and make recommendations to the Board; listen to the Company's reports on sustainable development or ESG work; study and make recommendations on other significant matters affecting the Company's sustainable development; and be responsible for other matters authorized by the Board.

During the Reporting Period, the sustainable development committee held two meetings, details of which are as follows:

On 21 March 2025, the 2025 first meeting of the sustainable development committee of the fifth session of the Board was held, at which one proposal was considered and approved.

CORPORATE GOVERNANCE REPORT

On 15 August 2025, the 2025 second meeting of the sustainable development committee of the fifth session of the Board was held, at which a report was heard.

Details of the attendance of the meetings are as follows:

Name of Committee Members	Number of Meeting	
	Attended/due to attend	Attendance Rate
Gong Yufei	2/2	100%
Wang Liqiang	0/0	/
Michael Ngai Ming Tak	2/2	100%
Gao Debu	2/2	100%
Zhao Feng	0/0	/

Notes:

1. Mr. Gong Yufei has ceased to be chairman of the sustainable development committee since 29 October 2025.
2. Mr. Gao Debu has ceased to be a member of the sustainable development committee since 29 October 2025.
3. Mr. Wang Liqiang has served as the chairman of the sustainable development committee since 29 October 2025.
4. Ms. Zhao Feng has served as a member of the sustainable development committee since 29 October 2025.

During the Reporting Period, the sustainable development committee reviewed the 2024 annual sustainability report prepared by the Company and received reports from the Company on its ESG construction efforts.

CORPORATE GOVERNANCE REPORT

3. Directors' Responsibility for the Financial Statements

The Board acknowledges its responsibility for preparing the financial statements of the Group for the year ended 31 December 2025.

The Board is responsible for presenting a clear and specific assessment of annual and interim reports, inside information and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment and approval, as appropriate, of the financial information and position of the Group.

There are no events or conditions that may have a material impact on the Company's ability for continuance operation.

In addition, the Company has arranged appropriate insurance cover in respect of possible legal actions and liabilities against the Directors.

The statement of the Company's auditor about its reporting responsibilities on the financial statements of the Company is set out in the Independent Auditor's Report of this annual report.

4. Compliance with the Code for Securities Transactions

The Company has adopted the Model Code set out in Appendix C3 of the Listing Rules as the code of conduct governing dealings by its Directors in the securities of the Company. Having made specific enquiry of the Directors of the Company, all Directors have confirmed that they have strictly complied with the required standard set out in the Model Code during the Reporting Period. The Company has also set up guidelines in respect of the dealings by its relevant employees (as defined in the Listing Rules) in the Company's securities, which are no less exacting terms than the Model Code. The Company is not aware of any breach of the guidelines by its relevant employees.

The Board will examine the corporate governance practices and operation of the Company from time to time so as to ensure compliance with relevant requirements under the Listing Rules and to protect Shareholders' interests.

CORPORATE GOVERNANCE REPORT

5. Training of Directors and Company Secretaries

All Directors participated in continuous professional development training in 2025 to develop and refresh their knowledge and skills in order to ensure that their contribution to the Board remains informed and relevant. Details of all current Directors' training during the Reporting Period are set out as below:

Name	Position held at the Company	Length of training received in 2025 (hours)	Areas covered in the training
Gong Yufei	Chairman of the Board and Executive Director	377	Corporate governance, industry development, industrial policy, legal compliance, etc.
Wang Liqiang	Executive Director	369	Corporate governance, industry development, industrial policy, risk assessment, etc.
Wang Xuelian	Non-executive Director	391	Corporate governance, industry development, industry policy, financial management
Chen Jie	Non-executive Director	255	Corporate governance, internal control and audit, risk management, corporate development
Zhang Tong	Non-executive Director	354	Corporate governance, industry development, industry policy, financial management
Wang Yong	Non-executive Director	439	Corporate governance, human resources, laws and regulations, monetary policy

CORPORATE GOVERNANCE REPORT

Name	Position held at the Company	Length of training received in 2025 (hours)	Areas covered in the training
Liu Jintao	Employee Director	371	Corporate governance, human resources, industrial policy, risk assessment
Michael Ngai Ming Tak	Independent non-executive Director	387	Corporate governance, management philosophy, investments in securities, risk management.
Gao Debu	Independent non-executive Director	439	Corporate governance, financial economics, corporate finance, industrial economics
Zhao Feng	Independent non-executive Director	415	Corporate governance, cost accounting, international trade, econometrics

In 2025, Ms. Chan Sau Ling, being the company secretary of the Company, received no less than 15 hours of relevant professional training, as required under Rule 3.29 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

6. Risk Management and Internal Control

In accordance with the requirements of the Listing Rules, the Company has established a standardized governance structure, improved its deliberation and decision-making system, and clarified the boundaries of powers and responsibilities between the Board of Directors and the Audit Committee. The Board is responsible for approving risk management and internal control system, evaluating their effectiveness and truthfully disclosing the internal control related reports. The Audit Committee and other professional committees under the Board perform their duties in accordance with regulations and provide support to the Board in making scientific decisions. The Audit Committee of the Company supervises the implementation of internal control by the Board. In 2025, the personnel of all departments and responsible departments of the Company performed their respective duties and no material weaknesses were identified through self-assessment, and during the Reporting Period, the Board conducted a review and evaluation of the effectiveness of the operation of the internal control system for comprehensive risk management, which covered all significant control aspects, including financial control, operational control and compliance control, and the risk management and internal control were effective and adequate. The Board is responsible for the Company's systems of risk management and internal control and has a duty to review the effectiveness of the design and implementation of these systems. These systems are designed to manage, not eliminate, the risk of failure to achieve business objectives and the Board can only provide reasonable, but not absolute, assurance that these systems protect against material misrepresentation or loss.

In 2025, the Company promoted the in-depth integration of risk control standards with business systems and operating procedures, and continuously strengthened the standardization, applicability and executability of system construction. Throughout the year, a total of 232 industry and external laws and regulations were benchmarked, risk control and compliance reviews of 96 newly added/revised systems were completed, risk prevention and control measures were embedded into the system texts, 44 supporting business flow charts and 45 key control node lists were compiled, and 113 system review opinions were put forward. The Company gradually built an integrated internal control implementation mechanism of system, process and control, and promoted the evolution of management towards institutionalization, processization and informatization.

CORPORATE GOVERNANCE REPORT

The Company continuously improved the risk control management system, updated the annual risk control matrix, evaluation criteria and typical cases of internal control risks in accordance with strategic development goals, key points of operation and management, organizational structure functions, management standards, etc., and completed the formulation and revision of internal control risk management standards. At the same time, it guided grass-roots units to update the risk control matrix and evaluation criteria to achieve dynamic circulation, provided guidance for business operations and risk identification, promoted the integration of risk control requirements with front-line business execution, and initially formed a comprehensive, clearly classified and dynamically updated risk control management standard system.

The Company conducted a comprehensive investigation on the construction of the internal control system, verified the completeness and design effectiveness of the Company's internal control system construction, and focused on solving problems such as regulatory blind spots and formal compliance. The self-inspection work fully covered the Company's governance, management and control model, system specifications, digital intelligence information, etc., as well as key areas such as bidding and procurement and engineering business. It conducted an in-depth inspection of the shortcomings and weaknesses of the Company's internal control system by drawing inferences from one instance, promoted the discovery and resolution of problems in an integrated manner, and formed the "Longyuan Power Internal Control System Construction Self-Inspection Form" and the "Longyuan Power Internal Control System Construction Self-Inspection Report".

The Company continuously improved the quality and efficiency of internal control supervision and evaluation. In line with regulatory policies and higher-level management requirements, linked to the Company's strategic goals, management and control model and risk pain points, and combined with the internal control and risk management status of affiliated units, it carried out annual internal control supervision and evaluation on 13 grass-roots units. Focusing on key businesses such as investment and mergers, engineering construction, financial capital, procurement and sales business, and power industry operation, it strengthened risk-oriented penetrating inspections. Through revealing problems, optimizing processes and improving management, it achieved a virtuous cycle of "controllable risks, reducible costs and improvable efficiency", and effectively enhanced the effectiveness of internal control supervision.

CORPORATE GOVERNANCE REPORT

The Company implemented regular and dynamic risk assessment mechanisms, in-depth analyzed the requirements of penetrating supervision, systematically judged the potential risks of major business areas and key operating activities around the Company's strategic positioning, business layout and management status, and established penetrating assessment standards covering elements such as governance, management and control, operation, system and technology. Through annual risk assessment, quarterly dynamic risk assessment, quarterly monitoring of major risks and dynamic monitoring of risk early warning indicators, it realized hierarchical risk early warning and precise response, ensuring the implementation of major risk prevention and control measures and the dynamic management of abnormal situations of key early warning indicators.

In accordance with the Company's 2025 internal control evaluation standards and defect recognition criteria, no material internal control deficiencies were identified throughout 2025.

The risks were generally controllable and under control throughout the year, and the control of the top five risks was generally stable, with no major risk events occurring.

CORPORATE GOVERNANCE REPORT

7. Internal Audit Function

The Audit Department of the Company is a functional department responsible for the management, supervision, evaluation and recommendation of internal audit. It is responsible for organizing the formulation of the development plan for audit work, formulating and issuing the annual audit plan and supervising its implementation; responsible for organizing and conducting economic responsibility audits during the term of office of leading personnel managed by the Party Committee of the Company, whole-process follow-up audits of construction projects and review of settlement and final accounts, audits on the implementation of major national policies and major decisions of the Group, and special audits on key areas and critical links of production and operation; responsible for supervising the rectification of audit issues, conducting statistical analysis and application of results; responsible for engaging and supervising social audit institutions; responsible for the supervision and evaluation of the internal control system; responsible for guiding and supervising internal audit of affiliated units; taking the lead in pursuing accountability for violations of regulations in operation and investment; taking the lead in cooperating with internal and external audit supervision and inspection; undertaking the work of the Audit Committee of the Board of Directors; conducting business management over the Audit Shared Service Center; and responsible for conducting post-investment project evaluation.

In 2025, the Audit Department closely focused on the Company's strategic goals and business priorities, strictly followed the audit requirements of "working as commanded, keeping a watchful eye at any time and, be formidable (如臂使指、如影随形、如雷贯耳)", and carried out work such as the supervision of the internal control system, fully performing its functions of audit supervision and service.

CORPORATE GOVERNANCE REPORT

On the basis of completing outgoing audits, the Company focused on strengthening the “prevention and early warning” role of in-term audits to achieve broad regulation via a single audit. In response to the problem of information asymmetry before audits, a “cross-departmental interview + historical review” mechanism was established. Before audits, multiple departments were engaged to collect clues such as performance evaluation, and key points were identified in combination with past audit issues. Through detailed verification, issues were accurately identified and improvement suggestions were put forward to help audited units improve their compliant operation level. Meanwhile, the Company actively integrated into the big supervision system, strengthened the joint efforts of inspection and audit, improved the working mechanism of information communication, clue transfer, measure coordination and achievement sharing, and enhanced supervision effectiveness to realize issue sharing. By using the joint meeting mechanism for economic responsibility audits, joint meetings were held to give play to the professional advantages and functional characteristics of various departments, integrate supervision resources and form a coordinated and joint supervision force. Focusing on project audits, the Company carried out follow-up audits on 80 projects this year, completed project settlement reviews for 39 projects and financial completion final account reviews for 38 projects in total, effectively giving play to audit supervision effectiveness.

8. Inside Information Management

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company:

is aware of its obligations under the Securities and Futures Ordinance and the Listing Rules and the overriding principle that inside information should be announced immediately after such information comes to our attention and/or it is the subject of a decision unless it falls within the Safe Harbours set out in the Securities and Futures Ordinance;

conducts its affairs with close regard to the “Guidelines on Disclosure of Inside Information” and “Recent Economic Developments and the Disclosure Obligations of Listed Issuers” issued by the Securities and Futures Commission in June 2012 and the Hong Kong Stock Exchange in 2008 respectively; and

CORPORATE GOVERNANCE REPORT

has established and implemented procedures for responding to external enquiries about the Group's affairs. Senior management of the Company is identified and authorized to act as the Company's spokesperson and responds to enquiries in allocated areas of issues.

9. Auditors and its Remuneration

KPMG and Zhongshen Zhonghuan Certified Public Accountants LLP (Special General Partnership) were appointed as auditors for the Company's financial statements prepared in accordance with IFRS Accounting Standards and Accounting Standards for Business Enterprises in China for the year ended 31 December 2025, respectively. KPMG has audited the Company's financial statements for the year 2025, which were prepared in accordance with IFRS Accounting Standards.

For the year ended 31 December 2025, the annual audit fee of KPMG was RMB8,900,000 (tax inclusive), the annual audit fee and internal control report review fee of Zhongshen Zhonghuan Certified Public Accountants LLP (中審眾環會計師事務所(特殊普通合伙)) was RMB16,942,200 (tax inclusive), the interim review fee of KPMG was RMB5,900,000 (tax inclusive), and the non-audit service fee of KPMG was RMB211,000 (tax inclusive). The statement of responsibility of KPMG, the Company's external auditor, in respect of its responsibility for the financial statements is set out on pages 202 to 204 of this annual report.

10. General Meetings

During the Reporting Period, the Company held three general meetings and one class meeting in total.

On 17 June 2025, the 2024 annual general meeting, the first 2025 A shareholders class meeting and the first 2025 H shareholders class meeting of the Company were held. Mr. Gong Yufei, Mr. Wang Liqiang, Ms. Wang Xuelian, Ms. Chen Jie, Mr. Wang Yong, Mr. Gao Debu, Mr. Michael Ngai Ming Tak and Ms. Zhao Feng were present.

On 29 October 2025, the 2025 first extraordinary general meeting of the Company was held. Mr. Gong Yufei, Mr. Wang Liqiang, Ms. Wang Xuelian, Mr. Wang Yong, Mr. Michael Ngai Ming Tak, Mr. Gao Debu and Ms. Zhao Feng were present.

CORPORATE GOVERNANCE REPORT

On 23 December 2025, the 2025 second extraordinary general meeting of the Company was held. Mr. Gong Yufei, Mr. Wang Liqiang, Ms. Wang Xuelian, Mr. Zhang Tong, Mr. Wang Yong, Mr. Liu Jintao, Mr. Michael Ngai Ming Tak, Mr. Gao Debu and Ms. Zhao Feng were present.

The Company will arrange the Board and relevant committee members to attend and answer questions from shareholders at the forthcoming 2025 annual general meeting of the Company.

During the Reporting Period, details of the attendance of the general meetings by the Directors are as follows:

Name	Position in the Company	Number of Meetings	
		Attended/due to attend	Attendance Rate
Gong Yufei	Chairman and Executive Director	3/3	100%
	Executive Director and		
Wang Liqiang	President	3/3	100%
Wang Xuelian	Non-executive Director	3/3	100%
Chen Jie	Non-executive Director	1/2	50%
Zhang Tong	Non-executive Director	1/3	33.33%
Wang Yong	Non-executive Director	3/3	100%
Liu Jintao	Employee Director	1/1	100%
Michael Ngai Ming Tak	Independent Non-executive Director	3/3	100%
	Independent Non-executive Director		
Gao Debu	Independent Non-executive Director	3/3	100%
Zhao Feng	Independent Non-executive Director	3/3	100%
	Independent Non-executive Director		

Notes:

1. Mr. Liu Jintao was appointed as an employee Director of the Company on 29 October 2025 upon the re-election of the Board.
2. Ms. Chen Jie ceased to be a non-executive Director of the Company on 29 October 2025 upon the re-election of the Board.

CORPORATE GOVERNANCE REPORT

11. Communication Policy with Shareholders

The Company establishes a Shareholder communication policy and conduct annual review to ensure its effectiveness. The Company highly values Shareholders' opinions and advice, and proactively organizes various investor relations activities to maintain connections with Shareholders and respond to the reasonable requests of Shareholders in a timely manner. Various material issues of the Company are communicated to Shareholders on a regular, timely and fair basis through quarterly, interim, annual reports, announcements and circulars, etc. All of those information is available on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.clypg.com.cn). During the Reporting Period, after implementing the above measures and conducting a review, the Company considers the existing Shareholder communication policy to be adequate and effective.

11.1 Shareholders' Rights

The Board is committed to maintaining an on-going dialogue with Shareholders and makes timely disclosure to Shareholders and investors as to the significant development of the Company. The general meetings of the Company provide a forum for communication between Shareholders and the Board. A twenty (20) days' prior notice in writing for convening an annual general meeting, and a fifteen (15) days' prior notice in writing for convening an extraordinary general meeting shall be sent to the Shareholders, whose names appear in the register of members of the Company, of the matters proposed to be considered and the date and venue of the meeting. Where the relevant rules otherwise stipulated by the regulatory authorities and the stock exchange of the place where the Company's Shares are listed, such provisions shall prevail.

CORPORATE GOVERNANCE REPORT

Shareholder(s) individually or jointly holding 10% or more (including 10%) of the shares carrying voting rights at the proposed meeting may, in writing, request the Board to convene an extraordinary general meeting or a class meeting and clarify the agenda of the meeting. The Board shall, within ten days from the date of receipt of the aforementioned written request, provide a written feedback stating its consent or disagreement to convene the extraordinary general meeting or class meeting. If the Board consents to convene the general meeting or class meeting, it shall issue a notice of convening the general meeting or class meeting within five days after adopting the Board resolution. Any change to the original request in the notice shall obtain the consent of the relevant Shareholders. In the event that the Board disagrees to convene a general meeting or a class meeting, or fails to furnish any reply within ten (10) days from the date of receipt of such request, Shareholder(s) individually or jointly holding 10% or more of the Shares carrying the right to vote at the forthcoming meeting shall be entitled to propose to the audit committee of the Board in writing for the purpose of convening an extraordinary general meeting or a class meeting. In the event that the audit committee of the Board agrees to convene a general meeting or a class meeting, it shall issue the notice of the general meeting or the class meeting within five (5) days from the date of receipt of such request. If there is any change to the original proposals in the notice, it shall be approved by the relevant Shareholders. In the event that no notice of the general meeting or the class meeting is issued by the audit committee of the Board within the stipulated period, the audit committee of the Board is deemed not to convene and chair the general meeting or the class meeting, in which case the Shareholder(s) individually or jointly holding 10% or more of the Company's Shares for more than consecutive ninety (90) days may convene and chair such meeting on their own. In the event the Company convenes a general meeting, the Shareholders individually or jointly holding an aggregate of 1% (including 1%) or more of the Company's Shares with voting rights are entitled to propose ad hoc motions in writing to the Company. The Company incorporates any matters under such motions which fall within the scopes of the duties and functions of the general meeting into the agenda of the meeting. The ad hoc motions by Shareholders shall be subject to the following requirements: (i) the contents shall not contravene with the requirements of the laws and regulations and shall fall within the duties and functions of general meetings; (ii) with definite topics to discuss and specific matters to resolve; and (iii) shall be proposed ten (10) days prior to the convening of the general meeting and be submitted or delivered in writing to the Board.

CORPORATE GOVERNANCE REPORT

11.2 Shareholders' Enquiries and Communication

The Company publishes its announcements, financial information and other relevant information on its website at www.clypg.com.cn, as a channel to enhance effective communication. Shareholders are welcomed to make enquiries to the Company by sending the enquiries to the principal place of business of the Company in Hong Kong, or via phone, fax or email. The Company will respond to all enquiries in a timely and appropriate manner.

Information about the principal place of business in Hong Kong of the Company and investors' means of enquiries and communication is set out in the section of Corporate Profile of this annual report.

The Board welcomes Shareholders' views and encourages them to attend general meetings to communicate and raise any concerns they might have with the Board or the management. The Chairman of the Board and the chairmen of the respective Board committees usually attend the annual general meeting and other general meetings to address Shareholders' queries.

12. Investor Relations

12.1 Results Roadshows

In 2025, the Company published its 2024 annual results, 2025 first quarter results, 2025 interim results and 2025 third quarter results in March, April, August and October, respectively, and organised results roadshows. More than 1,000 analysts and investors attended the four results release activities. During the period of results roadshow, the management of the Company communicated with over 500 new and existing Shareholders through on-site meeting, teleconferences and other means.

12.2 Investor Research Reception

In 2025, the Company had sufficient and effective communication and exchanges with over 1,000 institutional investors and analysts in the form of one-on-one conference calls, group conference calls, on-site exchanges, etc.

CORPORATE GOVERNANCE REPORT

12.3 Information Disclosure

The Company formulated the Provisions on Information Disclosure Management 《(信息披露事務管理規定)》 to ensure a timely and fair disclosure of comprehensive and accurate information to investors. We extensively utilised the website of the Company to release information and ensured that all Shareholders can receive important information of the Company in a timely and fair manner. The financial reports, energy generation and other news and exchange announcements of the Company are available on the website of the Company. In 2025, the Company published 266 pieces of information on the Stock Exchange.

13. Company Secretary

Ms. Chan Sau Ling from Tricor Services Limited, being an external service provider, is acting as the company secretary of the Company. Ms. Gao Zhenli acts as the securities affairs representative of the Company who is the principal liaison of Ms. Chan Sau Ling.

14. Articles of Association

The Articles of Association of the Company were published on the website of the Company for public access. The shareholders of the Company approved the resolution on the amendments to the Articles of Association of China Longyuan Power Group Corporation Limited and supporting systems at the 2025 first extraordinary general meeting held on 29 October 2025. For details of the amendments, please refer to the circular of the relevant general meeting. The amended Articles of Association have become effective and implemented on 29 October 2025, being the date of approval by the general meeting of the Company.

CORPORATE GOVERNANCE REPORT

The Rules of Procedures of the Shareholder's Meeting and the Rules of Procedures of the Board of Directors of the Company were published on the website of the Company for public access. The shareholders of the Company approved the resolution on the amendments to the Articles of Association of China Longyuan Power Group Corporation Limited and supporting systems at the 2025 first extraordinary general meeting held on 29 October 2025. For details of the amendments, please refer to the circular of the relevant general meeting. The amended Rules of Procedures of the General Meeting and the Rules of Procedures of the Board of Directors have become effective and implemented on 29 October 2025, being the date of approval by the general meeting of the Company.

15. Roles and Responsibilities

Good governance emanates from an effective and accountable Board. The Board, directly and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Company's operational and financial performance, reviews the Company's compensation policies and succession planning, and ensures that effective governance and corporate social responsibility policies and sound internal control and risk management systems are in place.

The Chairman of the Board and the President of the Company are held by different persons. The Board and the management fulfill their duties in strict compliance with the requirements under the Articles of Association, the Terms of Reference for the Board of Directors of China Longyuan Power Group Corporation Limited and relevant regulation.

CORPORATE GOVERNANCE REPORT

16. Authorization of the Board

The Board shall review the implementation and effectiveness of the mechanism on an annual basis.

The Board reserves the decision-making power on all major matters of the Company, including approving and supervising all matters relating to policies, overall strategy, internal control and risk management system, significant transactions (especially transactions involving conflicts of interest), financial information, nomination of Director candidates and other important financial, production and operational matters. The Directors may seek independent and professional opinions when performing their duties, with the expenses being borne by the Company. Meanwhile, the Directors are encouraged to independently consult the senior management of the Company.

The senior management is authorized to take charge of the Company's day-to-day management, administration and operation, and the Board will regularly review the performance of the senior management and the execution of relevant resolutions. The management shall obtain approval from the Board before entering into any major transactions.

17. Confirmation on the Independence of Independent Non-executive Directors

Each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company believes that each of the independent non-executive Directors is independent of the Company.

CORPORATE GOVERNANCE REPORT

18. Employee of the Group

As at 31 December 2025, the Group had a total of 7,928 employees. The staff structure is as follows:

Education Background

Number of employees with a master's degree and above	1,044
Number of employees with a bachelor's degree	5,694
Number of employees with an associate degree and below	1,190

Age

Number of employees aged below 30	2,469
Number of employees aged 30–50	4,774
Number of employees aged over 50	685

The Group fully respects the individual differences of talents and values gender diversity among employees. As at the end of 2025, the gender ratio of employees (including senior management) of the Group is 6,713:1,215. The Group expects to maintain a reasonable level of gender diversity at the employee level. Differences in employees' educational levels, cultural backgrounds, professional backgrounds, and job requirements are the main influencing factors for gender diversity among employees. The Company is primarily engaged in the design, development, construction, management and operation of wind farms, and the industry has traditionally had a high concentration of male employees. In order to promote gender diversity as much as possible, and on the premise of providing equal employment opportunities, career development and promotion opportunities, the Company continuously introduced professionals of different genders and ethnicities based on its own development needs, and cultivated and nurtured a moderately- sized, high-end leading, structurally balanced, and highly qualified talent team, aiming to establish and maintain the Company's talent advantage in the industry, and laying a solid foundation of talent to achieve its development strategy.

For details of the composition of the Group's employees, please refer to the 2025 Sustainability Report.

CORPORATE GOVERNANCE REPORT

Remuneration Policies

We conduct performance appraisal for all employees, highlight performance contribution, and gradually establish a positive and incentive system with distinctive orientation and hierarchical classification. More attention is paid to high-level and high-skilled professionals on the front line who occupy key positions and are urgently needed. We also boost and maintain the salary competitiveness of key positions, make timely contributions to the “five mandatory insurance plans and housing provident fund” for employees with supplementary medical insurance and personal accident insurance, and strictly implement the leave regulations for female employees during pregnancy and childbirth.

Employee Training

We fully respect the talent value, place considerable value on talent growth, focus on the talent cultivation, constantly promote the Company’s talent cultivation plan and “Longteng” talent project, and continue to optimize the talent cultivation system and project curricula, to ensure the sustainable development of enterprise talents.

Career advancement

We smooth out the three talent paths of “technology, skill and management”. We intensify efforts to cultivate outstanding young talents.

On-the-job training

We accelerate the training of professionals and establish a professional talent pool of 2,400 people covering five professional directions, including internationalization, law, science and technology innovation, directors, and certified professionals. We continue to promote the construction of lead instructors, title evaluation and skills identification, with more than 400 lead instructors employed during the year. We also provide high-quality training projects such as “Craftsman Training Camp”, “Grassroots Comprehensive Management Ability Promotion Class”, “Employees with Certificates”, “Lead Instructor Training”, and “Famous Teachers’ Lecture” tailored for employees.

For details of the Group’s employees, please refer to the 2025 Sustainability Report.

INDEPENDENT AUDITOR'S REPORT



Independent auditor's report to the shareholders of China Longyuan Power Group Corporation Limited

(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of China Longyuan Power Group Corporation Limited (the "Company") and its subsidiaries (the "Group") set out on pages 205 to 387, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Impairment assessment of certain property, plant and equipment and intangible assets	
<i>Refer to Notes 4(a), 16 and 18 to the consolidated financial statements and the accounting policies in Note 2(l).</i>	
The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2025, the Group had property, plant and equipment ("PPE") of RMB189,001 million and intangible assets of RMB3,985 million. Management has assessed whether there were indicators of impairment for the PPE and intangible assets as at 31 December 2025. Where indicators were identified, management has performed impairment assessment. Management compared the recoverable amounts of the cash-generating units ("CGUs") to which the PPE and intangible assets belong with the respective carrying values of the CGUs to determine if any impairment loss should be recognised. As a result of the impairment assessment, impairment losses of RMB89 million for PPE were recognised during the year ended 31 December 2025.	Our audit procedures to evaluate impairment assessment of certain PPE and intangible assets included the following: - evaluating the design and implementation of management's key internal controls over identification of CGUs, allocation of assets to CGUs and the impairment assessment process; - assessing management's identification of CGUs and the allocation of assets to each CGU with reference to our understanding of the Group's business and the requirements of the prevailing accounting standards; - comparing the actual results of selected CGUs for the current year with management's forecast in the previous year to assess the historical accuracy of management's forecasting process and if there is any indication of management bias;

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTER (CONTINUED)

Impairment assessment of certain property, plant and equipment and intangible assets	
<i>Refer to Notes 4(a), 16 and 18 to the consolidated financial statements and the accounting policies in Note 2(l).</i>	
The Key Audit Matter	How the matter was addressed in our audit
In performing the impairment assessment, management estimated or engaged external valuers to estimate the recoverable amounts of the relevant CGUs using the value in use method by preparing discounted cash flow forecasts. Preparing these forecasts requires management to exercise significant judgement, particularly in relation to estimating future sales volumes, future on-grid tariffs, future operating costs and the discount rates applied in estimating the recoverable amount of each CGU. We identified impairment assessment of certain PPE and intangible assets as a key audit matter because the carrying amount of the PPE and intangible assets is material to the consolidated financial statements and because of the significant management judgement and estimation required, which could be subject to error or potential management bias.	- on a sample basis, involving our internal valuation specialists to assist us in evaluating the appropriateness of the valuation methodology adopted with reference to the requirements of the prevailing accounting standards and the reasonableness of the discount rates applied by assessing whether they are within the range adopted by other companies in the same industry; - challenging management's basis on the estimation of future sales volumes, future on-grid tariffs and future operating costs by comparing them with the recent historical results of the related CGUs and market information; - evaluating management's sensitivity analysis of the future sales volumes, future on-grid tariffs, future operating costs and the discount rates adopted and considering if there is any indicator of management bias; and - assessing the reasonableness of the disclosures in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.

INDEPENDENT AUDITOR'S REPORT

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Ying Man Simon (practising certificate number: P04538).

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

31 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

	Note	2025 RMB'000	2024 (Restated*) RMB'000
CONTINUING OPERATIONS			
Revenue	6	30,252,713	31,464,356
Other net income	7	1,152,055	1,202,133
Operating expenses			
Depreciation and amortisation		(12,932,954)	(11,594,407)
Personnel costs	9(a)	(4,060,021)	(3,755,288)
Repair and maintenance		(1,044,421)	(1,198,440)
Administration expenses		(927,365)	(811,723)
Impairment losses on non-current assets	9(b)	(88,594)	(1,020,335)
Impairment reversals / (losses)			
on financial assets, net	9(b)	5,576	(86,998)
Other operating expenses	9(c)	(1,783,129)	(1,553,233)
		(20,830,908)	(20,020,424)
Operating profit		10,573,860	12,646,065
Finance income		66,290	146,489
Finance expenses		(3,518,795)	(3,579,108)
Net finance expenses	8	(3,452,505)	(3,432,619)
Share of profits less losses of associates and joint ventures		142,708	165,144
Profit before taxation	9	7,264,063	9,378,590
Income tax	10	(1,645,655)	(1,676,638)
Profit for the year from continuing operations		5,618,408	7,701,952

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

	Note	2025 RMB'000	2024 (Restated*) RMB'000
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations, net of tax	5	—	682,422
Profit for the year		5,618,408	8,384,374
Other comprehensive income / (losses):			
CONTINUING OPERATIONS			
Item that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity investments at fair value through other comprehensive income ("FVOCI"), net of tax		16,193	3,611
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(43,788)	51,989
Exchange differences on net investments in foreign operations		(220)	(1,413)
Other comprehensive (losses)/income for the year from continuing operations, net of tax	13	(27,815)	54,187
Total comprehensive income for the year		5,590,593	8,438,561

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

		2025	2024
	Note	RMB'000	(Restated*) RMB'000
Profit attributable to:			
Shareholders		4,637,935	6,388,920
Holders of other equity instruments		—	45,823
Non-controlling interests		980,473	1,949,631
Profit for the year		5,618,408	8,384,374
Total comprehensive income attributable to:			
Shareholders		4,610,120	6,443,107
Holders of other equity instruments		—	45,823
Non-controlling interests		980,473	1,949,631
Total comprehensive income for the year		5,590,593	8,438,561
Basic and diluted earnings per share (RMB cents)			
	14	55.48	76.42
Basic and diluted earnings per share (RMB cents) – continuing operations			
	14	55.48	70.39

* Comparative information has been re-presented due to business combinations under common control (see Note 42 for details).

The notes on pages 218 to 387 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

		31 December 2025	31 December 2024 (Restated*)
	Note	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment	16	189,000,574	181,646,695
Right-of-use assets	17(a)	7,783,773	7,054,220
Intangible assets	18	3,985,359	4,349,169
Goodwill	19	145,668	145,668
Investments in associates and joint ventures	21	5,900,077	5,860,406
Other assets	22	7,683,262	7,620,459
Deferred tax assets	32(b)	616,437	840,684
Total non-current assets		215,115,150	207,517,301
Current assets			
Inventories	23	399,857	430,027
Trade and bills receivables	24	43,997,008	43,614,652
Prepayments and other current assets	25	3,025,129	2,776,574
Tax recoverable	32(a)	195,155	88,035
Other financial assets	26	186,238	192,797
Restricted deposits	27	146,252	158,789
Cash at banks	28	2,012,139	3,151,590
Total current assets		49,961,778	50,412,464

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

	Note	31 December 2025 RMB'000	31 December 2024 (Restated*) RMB'000
Current liabilities			
Borrowings	29(b)	59,409,219	55,691,133
Trade and bills payables	30	4,615,804	6,016,077
Other current liabilities	31	15,226,993	16,635,319
Lease liabilities	17(b)	202,867	167,586
Tax payable	32(a)	347,305	659,531
Total current liabilities		79,802,188	79,169,646
Net current liabilities		(29,840,410)	(28,757,182)
Total assets less current liabilities		185,274,740	178,760,119
Non-current liabilities			
Borrowings	29(a)	92,125,171	87,933,985
Lease liabilities	17(b)	2,777,720	2,506,939
Deferred income	34	491,691	595,425
Deferred tax liabilities	32(b)	367,356	345,713
Other non-current liabilities	35	1,091,030	1,354,317
Total non-current liabilities		96,852,968	92,736,379
NET ASSETS		88,421,772	86,023,740

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

		31 December 2025	31 December 2024 (Restated*)
	Note	RMB'000	RMB'000
CAPITAL AND RESERVES			
Share capital	36(c)	8,359,816	8,359,816
Reserves	36(e)	66,337,538	64,679,083
Total equity attributable to equity holders of the Company		74,697,354	73,038,899
Non-controlling interests		13,724,418	12,984,841
TOTAL EQUITY		88,421,772	86,023,740

* Comparative information has been re-presented due to business combinations under common control (see Note 42 for details).

Approved and authorised for issue by the board of directors on 31 March 2026.

Gong Yu Fei
Chairman

Wang Li Qiang
Executive Director

The notes on pages 218 to 387 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

	Attributable to equity holders of the Company								Non-controlling interests	Total equity
	Share capital	Capital reserve	Statutory surplus reserve	Special reserve	Exchange reserve	Fair value reserve	Retained earnings	Subtotal		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 36(c))	(Note 36(e) (i))	(Note 36(e) (iii))	(Note 36(e) (iii))	(Note 36(e) (iv))	(Note 36(e) (v))				
At 31 December 2024	8,359,816	14,588,661	3,962,515	172,198	(352,278)	(55,889)	46,225,836	72,900,859	12,900,536	85,801,395
Effect on business combination under common control (Note 42)	-	94,921	-	1,521	-	-	41,598	138,040	84,305	222,345
At 1 January 2025	8,359,816	14,683,582	3,962,515	173,719	(352,278)	(55,889)	46,267,434	73,038,899	12,984,841	86,023,740
Changes in equity:										
Profit for the year	-	-	-	-	-	-	4,637,935	4,637,935	980,473	5,618,408
Other comprehensive (losses)/income (Note 13)	-	-	-	-	(44,008)	16,193	-	(27,815)	-	(27,815)
Total comprehensive (losses)/income	-	-	-	-	(44,008)	16,193	4,637,935	4,610,120	980,473	5,590,593
Effect on business combination under common control (Note 42)	-	(140,905)	-	-	-	-	-	(140,905)	-	(140,905)
Capital contributions by non-controlling interests	-	-	-	-	-	-	-	-	77,548	77,548
Appropriation	-	-	217,393	-	-	-	(217,393)	-	-	-
Dividends by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	(388,856)	(388,856)
Dividends to shareholders of the Company (Note 36(b))	-	-	-	-	-	-	(2,740,348)	(2,740,348)	-	(2,740,348)
Acquisition of non-controlling interests	-	(70,412)	-	-	-	-	-	(70,412)	70,412	-
Effect of safety production expenditures	-	-	-	108,892	-	-	(108,892)	-	-	-
At 31 December 2025	8,359,816	14,472,265**	4,179,908**	282,611**	(396,286)**	(39,696)	**47,838,736**	74,697,354	13,724,418	88,421,772

** These reserve accounts comprise the consolidated reserves of RMB66,337,538,000 (2024: RMB64,679,083,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

	Attributable to equity holders of the Company										Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Treasury shares RMB'000	Other equity instruments RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Special reserve RMB'000	Exchange reserve RMB'000	Fair value reserve RMB'000	Retained earnings RMB'000	Subtotal RMB'000		
	(Note 36(c))	(Note 36(d))		(Note 36(e) (i))	(Note 36(e) (ii))	(Note 36(e) (iii))	(Note 36(e) (iv))	(Note 36(e) (v))				
At 31 December 2023	8,381,963	(56,648)	2,022,877	16,219,141	3,377,859	116,212	(402,854)	(59,500)	42,347,899	71,946,949	12,497,196	84,444,145
Effect on business combination under common control	-	-	-	100,646	-	918	-	-	31,973	133,537	61,564	195,101
At 1 January 2024	8,381,963	(56,648)	2,022,877	16,319,787	3,377,859	117,130	(402,854)	(59,500)	42,379,872	72,080,486	12,558,760	84,639,246
Changes in equity:												
Profit for the year (restated*)	-	-	45,823	-	-	-	-	-	6,388,920	6,434,743	1,949,631	8,384,374
Other comprehensive income (Note 13)	-	-	-	-	-	-	50,576	3,611	-	54,187	-	54,187
Total comprehensive income	-	-	45,823	-	-	-	50,576	3,611	6,388,920	6,488,930	1,949,631	8,438,561
Effect on business combination under common control	-	-	-	(1,636,985)	-	-	-	-	-	(1,636,985)	16,528	(1,620,457)
Business combination not under common control	-	-	-	-	-	-	-	-	-	-	43,439	43,439
Capital contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	-	364,846	364,846
Redemption of other equity instruments	-	-	(1,999,300)	(700)	-	-	-	-	-	(2,000,000)	-	(2,000,000)
Appropriation	-	-	-	-	584,656	-	-	-	(584,656)	-	-	-
Dividends by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,097,248)	(1,097,248)
Dividends to shareholders of the Company (Note 36(b))	-	-	-	-	-	-	-	-	(1,860,113)	(1,860,113)	-	(1,860,113)
Distributions to holders of other equity instruments	-	-	(69,400)	-	-	-	-	-	-	(69,400)	-	(69,400)
Acquisition of non-controlling interests	-	-	-	2,391	-	-	-	-	-	2,391	(3,293)	(902)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(847,822)	(847,822)
Repurchase of own shares (Note 36(d))	-	(55,246)	-	(126)	-	-	-	-	-	(55,372)	-	(55,372)
Cancellation of treasury shares (Note 36(d))	(22,147)	111,894	-	(89,890)	-	-	-	-	-	(143)	-	(143)
Profit compensation	-	-	-	89,105	-	-	-	-	-	89,105	-	89,105
Effect of safety production expenditures	-	-	-	-	-	56,589	-	-	(56,589)	-	-	-
At 31 December 2024	<u>8,359,816</u>	<u>-</u>	<u>-</u>	<u>14,683,582*</u>	<u>3,962,515</u>	<u>173,719*</u>	<u>(352,278)</u>	<u>(55,889)</u>	<u>46,267,434*</u>	<u>73,038,899*</u>	<u>12,984,841*</u>	<u>86,023,740*</u>

* Comparative information has been re-presented due to business combinations under common control (see Note 42 for details).

The notes on pages 218 to 387 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

		2025	2024
		RMB'000	(Restated*) RMB'000
	Note		
Cash flows from operating activities			
Profit before taxation		7,264,063	10,340,396
– Continuing operations	9	7,264,063	9,378,590
– Discontinued operations		–	961,806
Adjustments for:			
Depreciation		12,489,494	11,247,914
Amortisation		443,460	534,300
Impairment losses on non-current assets		88,594	1,020,335
(Gain)/losses on disposal of property, plant and equipment, right-of-use assets and intangible assets		(32,541)	10,371
Gain on disposal of subsidiaries and associates		–	(640,849)
Remeasurement to fair value of pre-existing interests in acquirees		–	15,019
Gain on a bargain purchase arising from acquisitions of subsidiaries		–	(22,571)
Interest expenses on financial liabilities		3,123,731	3,374,372
Interest expenses on lease liabilities		142,888	109,321
(Reversal)/provision for loss allowance of receivables		(5,576)	88,198
Write-down of inventories		–	3,219
Net foreign exchange losses		185,141	65,220
Interest income on financial assets		(4,736)	(8,389)
Dividend income		(8,587)	(15,854)
Share of profits less losses of associates and joint ventures		(142,708)	(271,042)
Decrease in deferred income		(112,083)	(170,808)
Changes in fair value of listed equity securities designated at fair value through profit or loss (“FVTPL”) and derivative financial instruments		24,793	(15,177)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

		2025	2024
	Note	RMB'000	(Restated*) RMB'000
Changes in working capital:			
Decrease/(increase) in inventories		30,170	(273,260)
Increase in trade and bills receivables		(462,729)	(8,327,294)
(Increase)/decrease in prepayments, restricted deposits and other current assets		(381,155)	1,566,683
Increase in trade and bills payables, other current liabilities and other non-current liabilities		980,011	136,290
Cash generated from operations		23,622,230	18,766,394
Income tax paid	32(a)	(1,789,664)	(1,657,011)
Net cash generated from operating activities		21,832,566	17,109,383

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

	Note	2025 RMB'000	2024 (Restated*) RMB'000
Cash flows from investing activities			
Payments for acquisition of property, plant and equipment, right-of-use assets and intangible assets		(23,908,895)	(26,880,917)
Payments for acquisition of investments in associates and joint ventures, and equity investments		(101,542)	(215,460)
Payments for acquisition of businesses, net of cash acquired		—	(374,818)
Proceeds from disposal of a joint venture and an associate		—	21,167
Proceeds from capital reduction of an associate		113,094	83,942
Proceeds from receivable deposits for aborted planned acquisitions		165,750	44,000
Proceeds from disposal of property, plant and equipment, right-of-use assets and intangible assets		18,684	14,080
Disposal of subsidiaries, net of cash disposed		—	1,116,378
Repayments of loans and advances		3,517	2,702
Dividends received		115,143	108,589
Interest received		13,323	10,376
Purchase of other financial asset, net		—	(15,200)
Net cash used in investing activities		(23,580,926)	(26,085,161)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

		2025	2024
	Note	RMB'000	(Restated*) RMB'000
Cash flows from financing activities			
Capital injections from non-controlling interests		53,071	594,675
Proceeds from borrowings	43(a)	216,258,393	247,813,931
Repayment of borrowings	43(a)	(208,521,725)	(230,387,406)
Dividends paid by subsidiaries to non-controlling equity owners		(550,963)	(746,865)
Dividends paid to shareholders of the Company		(2,740,348)	(1,865,835)
Redemption of other equity instruments		–	(2,000,000)
Interest paid for borrowings	43(a)	(3,349,016)	(3,655,381)
Distributions to holders of other equity instruments		–	(69,400)
Lease payments	43(a)	(381,944)	(330,116)
Payment for business combination under common control		(98,634)	(1,973,860)
Acquisition of non-controlling interests		–	(13,452)
Cancellation of treasury shares		–	(143)
Repurchase of own shares		–	(55,372)
Proceeds from performance compensation		89,105	–
Net cash generated from financing activities		757,939	7,310,776

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

		2025	2024
	Note	RMB'000	(Restated*) RMB'000
Net decrease in cash and cash equivalents		(990,421)	(1,665,002)
Cash and cash equivalents at the beginning of year		3,151,590	4,849,097
Effect of foreign exchange rate changes		(149,030)	(32,505)
Cash and cash equivalents at the end of year	28	2,012,139	3,151,590

* Comparative information has been re-presented due to business combinations under common control (see Note 42 for details).

The notes on pages 218 to 387 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

1 PRINCIPAL ACTIVITIES

China Longyuan Power Group Corporation Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) are principally engaged in wind power and solar power generation and sale in the People’s Republic of China (the “PRC”). The registered office address of the Company is Room 2006, 20th Floor, Block C, 6 Fuchengmen North Street, Xicheng District, Beijing, PRC.

The Company’s parent and ultimate holding company is China Energy Investment Group Co., Ltd. (“CHN Energy”), a company with registered address and main business places in the PRC, controlled by the State-owned Assets Supervision and Administration Commission.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards, which include all applicable International Financial Reporting Standards, International Accounting Standards (“IASs”) and interpretations issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”).

The IASB has issued certain new and amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting year of the Group. Note 3 provides information on any changes in accounting policies resulting from the initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting years reflected in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Group and the Group's interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investments in debt and equity securities (see Note 2(m)); and
- derivative financial instruments (see Note 2(p)).

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of with IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

The consolidated financial statements have been prepared assuming that the Group will continue as a going concern notwithstanding the net current liabilities of the Group as at 31 December 2025 amounting to RMB29,840,410,000. The directors of the Company (the “Directors”) are of the opinion that, based on a review of the forecasted cash flows, the Group will have sufficient liquid funds to finance its operation and capital expenditure (see Note 37(c)).

The consolidated financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand, which is the Group’s presentation currency and the functional currency of the Company and its major subsidiaries.

(c) Subsidiaries and non-controlling interests

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

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group’s voting rights and potential voting rights.

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FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(c) Subsidiaries and non-controlling interests (Continued)

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2(u), or (v) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(l)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(d) Investments in associates and joint ventures

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in an associate and a joint venture are stated in the consolidated statements of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(d) Investments in associates and joint ventures (Continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (see Note 2(ac)).

(e) Business combinations and goodwill

Business combinations for entities not under common control are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the NCI in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of NCI are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Business combinations and goodwill (Continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for NCI and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. (see Note 1(I)).

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(f) Business combination for entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholders that control the Group are accounted for as if the acquisition had occurred at the beginning of the year or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's shareholders' consolidated financial statements.

Upon transfer of interest in an entity to another entity that is under the control of the shareholders that control the Group, any difference between the Group's interest in the carrying value of the assets and liabilities and the cost of transfer of interest in the entity is recognised directly in equity.

(g) Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. After initial recognition, the Group chooses the cost model to measure all of its investment properties.

Depreciation is calculated to write off the cost less residual value if applicable, using the straight-line method over the estimated useful lives. Rental income from investment properties is accounted for as described in Note 2(z).

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss and in the year of the retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(h) Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost or valuation less accumulated depreciation and any impairment losses (see Note 2(l)). When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale”. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

	Depreciation period
– Buildings and structures	10 – 50 years
– Generators and related equipment	10 – 35 years
– Motor vehicles	5 – 10 years
– Furniture, fixtures and others	5 – 10 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
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2 MATERIAL ACCOUNTING POLICIES (Continued)

(h) Property, plant and equipment and depreciation (Continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

(i) Intangible assets (other than goodwill)

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. Intangible assets received as consideration for providing construction services in a service concession arrangement are measured at fair value upon initial recognition. Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses (see Note 2(l)).

Other intangible assets that are acquired by the Group are stated in the statement of financial position at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 2(l)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(i) Intangible assets (other than goodwill) (Continued)

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

– Concession assets	20 – 25 years
– Power sales rights	20 years
– Software and others	5 – 20 years

Both the period and method of amortisation are reviewed annually.

(j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leases (Continued)

(i) Group as a lessee (Continued)

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

– Land use right	10 – 50 years
– Buildings and structures	2 – 25 years
– Generators and related equipment	5 – 20 years
– Motor vehicles	2 – 3 years
– Sea-use rights	20 – 30 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leases (Continued)

(i) Group as a lessee (Continued)

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leases (Continued)

(i) Group as a lessee (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that is considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(ii) Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases.

NOTES TO THE FINANCIAL STATEMENTS

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Fair value measurement

The Group measures its certain trade and bills receivables, unquoted equity investment in non-listed companies, equity investment in listed companies, other financial assets, and derivative financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(I) Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(m) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognised / derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at financial assets measured at FVTPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 37(g). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(z)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(m) Other investments in securities (Continued)

(i) Non-equity investments (Continued)

- equity securities designated at FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in other comprehensive income. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVTPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVOCI, are recognised in profit or loss as other income (see Note 2(z)).

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(n) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(o) Credit losses and impairment of assets

(i) Credit losses from financial instruments, and contract assets

The Group recognises a loss allowance for expected credit losses (“ECL”)s on:

- financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, including those loans to associates and joint ventures that are held for the collection of contractual cash flows which represent solely payments of principal and interest);
- contract assets (see Note 2(aa));
- non-equity securities measured at FVOCI (recycling) (see Note 2(m));

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(o) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, and contract assets (Continued)

Measurement of ECLs (Continued)

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(o) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, and contract assets (Continued)

Measurement of ECLs (Continued)

Debt investments at FVOCI and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets:

Stage 1	–	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	–	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	–	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
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2 MATERIAL ACCOUNTING POLICIES (Continued)

(o) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, and contract assets (Continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(o) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, and contract assets (Continued)

Significant increases in credit risk (Continued)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;

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FOR THE YEAR ENDED 31 DECEMBER 2025
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2 MATERIAL ACCOUNTING POLICIES (Continued)

(o) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments, and contract assets (Continued)

Credit-impaired financial assets (Continued)

- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

NOTES TO THE FINANCIAL STATEMENTS

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(o) Credit losses and impairment of assets (Continued)

(ii) Credit losses from financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised at fair value, which is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

The amount initially recognised as deferred income is subsequently amortised in profit or loss over the term of the guarantee as income (see Note 2(z)).

The Group monitors the risk that the specified debtor will default on the contract and remeasures the above liability at a higher amount when ECLs on the financial guarantees are determined to be higher than the carrying amount in respect of the guarantees.

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(o) Credit losses and impairment of assets (Continued)

(ii) Credit losses from financial guarantees issued (Continued)

A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in Note 2(o) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

(p) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(p) Derivative financial instruments and hedge accounting (Continued)

Initial recognition and subsequent measurement (Continued)

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

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

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

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

- There is “an economic relationship” between the hedged item and the hedging instrument.
- The effect of credit risk does not “dominate the value changes” that result from that economic relationship.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
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2 MATERIAL ACCOUNTING POLICIES (Continued)

(p) Derivative financial instruments and hedge accounting (Continued)

Initial recognition and subsequent measurement (Continued)

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

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

Cash flow hedges

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(p) Derivative financial instruments and hedge accounting (Continued)

Initial recognition and subsequent measurement (Continued)

Cash flow hedges (Continued)

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

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

(q) Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
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2 MATERIAL ACCOUNTING POLICIES (Continued)

(r) Inventories

Inventories excluding spare parts are carried at the lower of cost and net realisable value. Spare parts are stated in the statement of financial position at cost less provision for write-down.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(s) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs.

Insurance reimbursement is recognised and measured in accordance with Note 2(y).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(t) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

(u) Trade and other payables (other than refund liabilities)

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(v) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(ad).

NOTES TO THE FINANCIAL STATEMENTS

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(w) Employee benefits

(i) Short-term employee benefits and defined contribution retirement plans

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

In connection with pension obligations, the Group operates various defined contribution plans in accordance with the local conditions and practices in the countries and provinces in which it operate. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate publicly administered pension insurance plan on mandatory and voluntary bases. The contributions are recognised as employee benefits when incurred.

(ii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(x) Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(x) Income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(x) Income tax (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(y) Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(z) Revenue and other income

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Sale of electricity and other goods

Revenue from the sale of electricity and other goods is recognised at the point in time when control of the asset is transferred to the customer, generally when electricity is supplied to the provincial grid companies or on delivery of the goods.

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(z) Revenue and other income (Continued)

Revenue from other sources and other income

Rental income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
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2 MATERIAL ACCOUNTING POLICIES (Continued)

(z) Revenue and other income (Continued)

Revenue from other sources and other income (Continued)

Government grants (Continued)

Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to the statement of profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

Where the Group receives government loans granted with no or at a below-market rate of interest for the construction of a qualifying asset, the initial carrying amount of the government loans is determined using the effective interest rate method, as further explained in the accounting policy for “Financial liabilities” above. The benefit of the government loans granted with no or at a below-market rate of interest, which is the difference between the initial carrying value of the loans and the proceeds received, is treated as a government grant and released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

(aa) Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(ab) Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

NOTES TO THE FINANCIAL STATEMENTS

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(ab) Foreign currencies (Continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to NCI. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

NOTES TO THE FINANCIAL STATEMENTS

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(ac) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

(ad) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

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2 MATERIAL ACCOUNTING POLICIES (Continued)

(ae) Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

(af) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial statements provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(ag) Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in thousands of Renminbi unless otherwise stated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(ag) Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies:
 - (i) The entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third party;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

NOTES TO THE FINANCIAL STATEMENTS

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3 CHANGES IN ACCOUNTING POLICIES

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

Amendments to IAS21

Lack of Exchangeability

The amendments do not have a material impact on this report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(a) Impairment losses on non-current assets

In considering the impairment losses that may be required for certain of the Group's assets which include property, plant and equipment, right-of-use assets, intangible assets, goodwill and investments in associates and joint ventures, the recoverable amount of the asset needs to be determined. The recoverable amount is the greater of the fair value less costs to sell and the value in use. In determining the value in use for each smallest identifiable group of assets that generate independent cash flows ("**CGU**"), expected cash flows generated by each CGU are discounted to their present value, which requires significant judgement relating to items such as future sales volumes, future on-grid tariffs, future operating costs and the discount rates applied. The Group uses all readily available information in determining an amount that is the reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as future sales volumes, future on-grid tariffs, future operating costs and the discount rates applied.

NOTES TO THE FINANCIAL STATEMENTS

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5 DISCONTINUED OPERATIONS

In September 2024, the Group disposed of all its interests in Jiangyin Sulong Heat and Power Generating Co., Ltd. (“Jiangyin Sulong”, 江陰蘇龍熱電有限公司) with a total cash consideration amounted to RMB1,319,150,000, and thereafter ceased to consolidate Jiangyin Sulong in the consolidated financial statements accordingly.

In October 2024, the Group and the another equity holder of Nantong Tianshenggang Power Generation Co., Ltd. (“Nantong Tiandian”, 南通天生港發電有限公司) reached an agreement to terminate the relevant concert party agreement. As a result, the Group lost control over Nantong Tiandian with effect from October 2024, and ceased to consolidate Nantong Tiandian in its consolidated financial statements. The Group’s interests in Nantong Tiandian has thereafter been accounted for as an investment in an associate.

Before and subsequent to the above-mentioned transactions (collectively refer to as the “Disposals”), the Group did not have material transactions with the discontinued operations. The consolidated results of the coal segment during the period from 1 January 2024 to the dates of the Disposals were presented in the 2024 consolidated statement of profit or loss and other comprehensive income as discontinued operations.

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FOR THE YEAR ENDED 31 DECEMBER 2025

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6 REVENUE

The amount of each significant category of revenue recognised during the year is as follows:

	2025 <i>RMB'000</i>	2024 (Restated) <i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
Sales of electricity	29,689,119	31,063,438
Others	487,900	385,558
	<u>30,177,019</u>	<u>31,448,996</u>
Revenue from other sources		
Rental income	75,694	15,360
	<u>30,252,713</u>	<u>31,464,356</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

6 REVENUE (Continued)

(i) Disaggregated revenue information:

	For the year ended 31 December 2025			
	CONTINUING OPERATIONS			
	Wind power RMB'000	Solar power RMB'000	All others RMB'000	Total RMB'000
Types of goods and services				
Sales of electricity	25,896,265	3,779,251	13,603	29,689,119
Others	83,369	30,033	374,498	487,900
	<u>25,979,634</u>	<u>3,809,284</u>	<u>388,101</u>	<u>30,177,019</u>
Revenue from other sources				
Rental income	<u>15,436</u>	<u>–</u>	<u>60,258</u>	<u>75,694</u>
	<u>25,995,070</u>	<u>3,809,284</u>	<u>448,359</u>	<u>30,252,713</u>
Geographic markets				
Chinese Mainland	25,328,994	3,809,284	448,359	29,586,637
Canada	176,510	–	–	176,510
South Africa	403,810	–	–	403,810
Ukraine	85,756	–	–	85,756
	<u>25,995,070</u>	<u>3,809,284</u>	<u>448,359</u>	<u>30,252,713</u>
Timing of revenue recognition				
Goods transferred at a point of time	25,897,215	3,779,252	109,078	29,785,545
Services transferred over time	97,855	30,032	339,281	467,168
	<u>25,995,070</u>	<u>3,809,284</u>	<u>448,359</u>	<u>30,252,713</u>

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FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

6 REVENUE (Continued)

(i) Disaggregated revenue information: (Continued)

	For the year ended 31 December 2024					
	CONTINUING OPERATIONS				DISCONTINUED OPERATIONS	
	Wind power (Restated)	Solar power	All others	Subtotal (Restated)	Coal power	Total (Restated)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods and services						
Sales of electricity	28,658,806	2,390,600	14,032	31,063,438	2,842,869	33,906,307
Sales of steam	–	–	–	–	520,964	520,964
Sales of coal	–	–	–	–	1,940,872	1,940,872
Others	101,945	50,842	232,771	385,558	394,573	780,131
	<u>28,760,751</u>	<u>2,441,442</u>	<u>246,803</u>	<u>31,448,996</u>	<u>5,699,278</u>	<u>37,148,274</u>
Revenue from other sources						
Rental income	–	–	15,360	15,360	550	15,910
	<u>28,760,751</u>	<u>2,441,442</u>	<u>262,163</u>	<u>31,464,356</u>	<u>5,699,828</u>	<u>37,164,184</u>
Geographic markets						
Chinese Mainland	28,034,607	2,441,442	262,163	30,738,212	5,699,828	36,438,040
Canada	188,970	–	–	188,970	–	188,970
South Africa	414,660	–	–	414,660	–	414,660
Ukraine	122,514	–	–	122,514	–	122,514
	<u>28,760,751</u>	<u>2,441,442</u>	<u>262,163</u>	<u>31,464,356</u>	<u>5,699,828</u>	<u>37,164,184</u>
Timing of revenue recognition						
Goods transferred at a point of time	28,656,261	2,423,304	14,032	31,093,597	5,584,854	36,678,451
Services transferred over time	104,490	18,138	248,131	370,759	114,974	485,733
	<u>28,760,751</u>	<u>2,441,442</u>	<u>262,163</u>	<u>31,464,356</u>	<u>5,699,828</u>	<u>37,164,184</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

6 REVENUE (Continued)

(i) Disaggregated revenue information: (Continued)

Rendering of services

Revenue from the rendering of services is recognised over time by reference to the stage of completion of the transaction based on the progress of work performed.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025 RMB'000	2024 (Restated) RMB'000
Amounts expected to be recognised as revenue:		
Within one year	87,353	52,577
After one year	104,598	62,468
	<u>191,951</u>	<u>115,045</u>

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to the rendering of services, of which the performance obligations are to be satisfied within two or twenty years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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7 OTHER NET INCOME

	2025	2024
	RMB'000	(Restated) RMB'000
Government grants	926,194	1,028,718
Gain/(loss) on disposal of property, plant and equipment, right-of-use assets and intangible assets	32,541	(10,371)
Gain on disposal of associates	—	21,257
Loss on disposal of a subsidiary	—	(26,411)
Remeasurement to fair value of pre-existing interests in acquirees	—	(15,019)
Gain on a bargain purchase arising from acquisitions of subsidiaries	—	22,571
Tax penalties	(57,326)	(2,142)
Others	250,646	183,530
	1,152,055	1,202,133

NOTES TO THE FINANCIAL STATEMENTS

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8 FINANCE INCOME AND EXPENSES

	2025 <i>RMB'000</i>	2024 (Restated) <i>RMB'000</i>
Interest income on financial assets	57,591	108,338
Dividend income	8,587	10,851
Net unrealised profits on derivative financial instruments	—	25,425
Foreign exchange gains	112	1,875
Finance income	66,290	146,489
Less:		
Interest on bank and other borrowings wholly repayable within five years	2,287,068	2,495,513
Interest on bank and other borrowings repayable more than five years	1,143,533	1,148,137
Interest on lease liabilities	142,888	109,321
Less: Interest expenses capitalised into property, plant and equipment	(306,870)	(313,076)
	3,266,619	3,439,895
Foreign exchange losses	185,253	67,095
Net unrealised losses on trading securities and derivative financial instruments	24,793	10,248
Bank charges and others	42,130	61,870
Finance expenses	3,518,795	3,579,108
Net finance expenses	3,452,505	3,432,619

The borrowing costs have been capitalised at rates of 1.30% to 3.28% per annum for the year ended 31 December 2025 (2024: 1.30% to 4.89%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

9 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging / (crediting):

(a) Personnel costs

	2025 RMB'000	2024 (Restated) RMB'000
Salaries, wages and other benefits	3,577,903	3,309,051
Contributions to defined contribution retirement plans	482,118	446,237
	<u>4,060,021</u>	<u>3,755,288</u>

(b) Other items

	2025 RMB'000	2024 (Restated) RMB'000
Amortisation		
– intangible assets	443,460	528,487
Depreciation		
– property, plant and equipment	12,043,932	10,781,830
– right-of-use assets	445,562	284,090
Provision/(reversal) of impairment losses on:		
– property, plant and equipment	88,594	695,492
– intangible assets	–	324,843
– trade receivables	(5,920)	117,038
– other receivables	344	(30,040)

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9 PROFIT BEFORE TAXATION (Continued)

(b) Other items (Continued)

	2025	2024
	RMB'000	(Restated) RMB'000
Write-down of inventories *	—	3,219
Net foreign exchange losses	(185,141)	(65,220)
Auditors' remuneration		
– annual audit services	24,379	21,860
– interim review services	5,566	5,566
– non-audit services	198	—
Cost of inventories	84,724	67,895

* The Write-down of inventories is included in “Other operating expenses” in the “Consolidated Statement of Profit or Loss and Other Comprehensive Income”.

(c) Other operating expenses

	2025	2024
	RMB'000	(Restated) RMB'000
Insurance expenses	313,934	273,773
Other tax expenses	194,371	191,030
Purchase of electricity charges	250,235	179,708
Technical service expenses	478,835	437,439
Write-down of inventories	—	3,219
Others	545,754	468,064
	1,783,129	1,553,233

NOTES TO THE FINANCIAL STATEMENTS

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10 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 RMB'000	2024 (Restated) RMB'000
Current tax		
Provision for the year	1,349,390	1,605,761
Under-provision in respect of prior years	20,928	21,845
	1,370,318	1,627,606
Deferred tax		
Origination and reversal of temporary differences (Note 32(b))	275,337	49,032
	1,645,655	1,676,638

Notes:

- (i) The provision for income tax of the PRC subsidiaries of the Group is calculated based on the statutory rate of 25% of the assessable profits of the Group as determined in accordance with the relevant PRC income tax rules and regulations, except for certain subsidiaries of the Group, which are taxed at preferential rates of 0% to 15% according to the relevant tax authorities' approvals.

Pursuant to CaiShui [2008] No. 46 Notice on the Execution of the Catalogue of Public Infrastructure Projects Entitled for Preferential Tax Treatment, certain subsidiaries of the Group, which are engaged in public infrastructure projects, are each entitled to a tax holiday of a 3-year full exemption followed by a 3-year 50% exemption commencing from their respective first operating income generating year.

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(Expressed in thousands of Renminbi unless otherwise stated)

10 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents: (Continued)

Notes: (Continued)

- (i) According to the Announcement on Continuation of Enterprise Income Tax in West Development published by the Ministry of Finance of the People's Republic of China (the "Ministry of Finance"), the State Taxation Administration and the National Development and Reform Commission (the "NDRC") on 23 April 2020, the subsidiaries established in the Western Region of the PRC are authorised to be taxed at a preferential income tax rate of 15% till 31 December 2030.
- (ii) Hero Asia Investment Limited, a subsidiary of the Group incorporated in Hong Kong, is subject to Hong Kong profits tax at 16.5%. Pursuant to the rules and regulations of the British Virgin Islands ("BVI"), Hero Asia (BVI) Company Limited, a subsidiary of the Group, is not subject to any income tax in the BVI.

Hero Asia Investment Limited and Hero Asia (BVI) Company Limited, being overseas enterprises controlled by a PRC enterprise, are considered as the PRC tax residents in accordance with GuoShuiFa [2009] No. 82. Accordingly, they are subject to the PRC income tax at 25%, and dividends receivable by these two companies are exempted from the PRC dividend withholding tax.

Longyuan Canada Renewables Ltd., a subsidiary of the Group in Canada, is subject to income tax at a rate of 26.5%. Longyuan South Africa Renewables Proprietary Ltd., a subsidiary of the Group in South Africa, is subject to income tax at a rate of 27%. Ukraine Yuzhne Energy Co., Ltd. and Longyuan Ukraine Southern Wind Power Generation Co., Ltd., subsidiaries of the Group in Ukraine, are subject to income tax at a rate of 18%.

- (iii) In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") for a new global minimum tax reform applicable to large multinational enterprises. The Group's operations are mainly located in the PRC where Pillar Two income tax legislation is not implemented. From 1 January 2025, the Group is also liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong SAR and certain other jurisdictions where a domestic minimum top-up tax has not been implemented, including the Chinese Mainland. The Directors are of the opinion that the enacted to be implemented will not have a material impact on the Group's consolidated financial statements.

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10 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025	2024
	RMB'000	(Restated) RMB'000
Profit before taxation	<u>7,264,063</u>	<u>9,378,590</u>
Notional tax on profit before taxation	1,816,016	2,344,648
Tax effect of non-deductible expenses	24,166	14,600
Tax effect of share of profits less losses of associates and joint ventures	(35,677)	(41,286)
Tax effect of non-taxable income	(2,583)	(2,713)
Effect of differential tax rates of certain subsidiaries of the Group	(600,909)	(1,047,615)
Use of unrecognised tax losses in prior years	(15,966)	(37,112)
Tax effect of unused tax losses and deductible temporary differences	439,680	424,271
Under-provision in respect of prior years	<u>20,928</u>	<u>21,845</u>
Income tax	<u>1,645,655</u>	<u>1,676,638</u>

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11 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Directors' and supervisors' emoluments disclosed pursuant to the Listing Rules section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

For the year ended 31 December 2025:

	Directors' and supervisors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000
Directors				
Mr. Gong Yufei (Chairman)	–	416	999	216
Mr. Wang Liqiang	–	398	1,047	166
Ms. Wang Xuelian	–	–	–	–
Ms. Chen Jie (Resigned in October 2025)	–	–	–	–
Mr. Zhang Tong	–	–	–	–
Mr. Wang Yong	–	–	–	–
Mr. Liu Jintao (Appointed in October 2025)	–	48	176	43
Independent non-executive Directors				
Mr. Michael Ngai Ming Tak	143	–	–	–
Mr. Gao Debu	143	–	–	–
Ms. Zhao Feng	143	–	–	–
Supervisors				
Mr. Liu Jinji (Resigned in October 2025)	–	–	–	–
Ms. Hao Jingru (Resigned in October 2025)	–	–	–	–
Ms. Wu Jinmei (Resigned in January 2025)	–	–	–	–
Mr. Liu Jintao (Appointed in January 2025 and resigned in October 2025)	–	234	577	127
	429	1,096	2,799	552

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11 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (Continued)

For the year ended 31 December 2024:

	Directors' and supervisors' fees <i>RMB'000</i>	Salaries, allowances and benefits in kind <i>RMB'000</i>	Discretionary bonuses <i>RMB'000</i>	Retirement scheme contributions <i>RMB'000</i>
Directors				
Mr. Gong Yufei (Chairman)	–	500	1,495	210
Mr. Tang Jian (Chairman) (Resigned in May 2024)	–	232	1,127	90
Mr. Wang Liqiang (Appointed in June 2024)	–	268	568	87
Mr. Tang Chaoxiong (Resigned in November 2024)	–	–	–	–
Ms. Wang Xuelian (Appointed in June 2024)	–	–	–	–
Ms. Chen Jie (Appointed in June 2024 and resigned in October 2025)	–	–	–	–
Mr. Zhang Tong (Appointed in August 2024)	–	–	–	–
Mr. Wang Yiguo (Resigned in February 2024)	–	–	–	–
Mr. Ma Bingyan (Resigned in July 2024)	–	–	–	–
Mr. Wang Yong (Appointed in December 2024)	–	–	–	–
Independent non-executive Directors				
Mr. Michael Ngai Ming Tak	143	–	–	–
Mr. Gao Debu	143	–	–	–
Ms. Zhao Feng	143	–	–	–
Supervisors				
Mr. Liu Jinji (Resigned in October 2025)	–	–	–	–
Ms. Hao Jingru (Resigned in October 2025)	–	–	–	–
Ms. Wu Jinmei (Resigned in January 2025)	–	113	569	36
	429	1,113	3,759	423

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11 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (Continued)

During the year, no emolument was paid to the directors or the supervisors as an inducement to join or upon joining the Company or as compensation for loss of office (2024: nil).

No director or supervisor had waived or agreed to waive any emoluments during the years 2025 and 2024.

12 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The numbers of directors and non-directors included in the five highest paid individuals for the years ended 31 December 2025 and 2024 are set forth below:

	2025	2024
Directors	—	1
Non-directors	5	4
	5	5

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12 INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

The emoluments of the directors are disclosed in Note 11. The emoluments of the highest paid non-director individuals are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other emoluments	1,715	1,736
Discretionary bonuses	6,114	4,837
Retirement scheme contributions	741	623
	<u>8,570</u>	<u>7,196</u>

The emoluments of the non-director individuals with the highest emoluments are within the following bands:

	2025	2024
HKD1,500,001 to HKD2,000,000	5	3
HKD2,000,001 to HKD2,500,000	—	1

During the year, no emolument was paid to the five highest paid employees as an inducement to join or upon joining the Company or as compensation for loss of office (2024: nil).

No five highest paid employees had waived or agreed to waive any emoluments during the years 2025 and 2024.

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13 OTHER COMPREHENSIVE INCOME

	2025 RMB'000	2024 RMB'000
Item that will not be reclassified to profit or loss in subsequent periods:		
Equity investments at FVOCI:		
– Changes in fair value recognised during the year	21,614	4,095
– Tax expense	5,421	484
Net of tax amount	16,193	3,611
Items that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations:		
– Before and net of tax amount	(43,788)	51,989
Exchange differences on net investment in foreign operations:		
– Before and net of tax amount	(220)	(1,413)
Other comprehensive (losses) / income for the year, net of tax	(27,815)	54,187

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14 EARNINGS PER SHARE

(a) Basic earnings per share

(i) Profit attributable to ordinary shareholders

	2025			2024		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	operations	operations		operations	operations	
	(Restated)			(Restated)		(Restated)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit attributable to ordinary shareholders	4,637,935	–	4,637,935	5,884,765	504,155	6,388,920

(ii) Weighted-average number of ordinary shares

	2025 RMB'000	2024 RMB'000
Issued ordinary shares at 1 January	8,359,816	8,381,963
Effect of shares repurchased in 2023	–	(10,335)
Effect of shares repurchased in 2024	–	(11,302)
Weighted-average number of ordinary shares	8,359,816	8,360,326

(b) Diluted earnings per share

There was no difference between the basic and diluted earnings per share as there were no dilutive potential shares outstanding for the years presented.

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15 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by types of business. Consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments:

- Wind power: this segment constructs, manages and operates wind power plants and generates electric power for sale to external power grid companies.
- Solar power: this segment constructs, manages and operates solar power plants and generates electric power for sale to external power grid companies.
- Coal power (disposed of in 2024 and presented as discontinued operations, see Note 5): this segment constructs, manages and operates coal power plants and generates electric power for sale to external power grid companies and coal trading business.

The Group combined other business activities that are not mentioned above in "All others". Revenue included in this category is mainly from the manufacturing and sale of power equipment, the provision of consulting services, maintenance and training services to wind power plants and other renewable power generation.

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15 SEGMENT REPORTING (Continued)

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

- Segment assets do not include investments in associates and joint ventures, equity investments at FVOCI, financial assets at FVTPL, other financial assets, tax recoverable, deferred tax assets and unallocated head office and corporate assets. Segment liabilities do not include deferred tax liabilities, tax payable and unallocated head office and corporate liabilities.
- Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment revenue and expenses do not include share of profits less losses of associates and joint ventures, net finance expenses and cost and unallocated head office and corporate expenses.

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15 SEGMENT REPORTING (Continued)

(a) Segment results, assets and liabilities (Continued)

The measure used for reporting segment profit is the operating profit. Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below:

For the year ended 31 December 2025:

	CONTINUING OPERATIONS			
	Wind power RMB'000	Solar power RMB'000	All others RMB'000	Total RMB'000
Revenue from external customers				
– Sales of electricity	25,896,265	3,779,251	13,603	29,689,119
– Others	98,805	30,033	434,756	563,594
Subtotal	25,995,070	3,809,284	448,359	30,252,713
Inter-segment revenue	–	–	1,175,020	1,175,020
Reportable segment revenue	25,995,070	3,809,284	1,623,379	31,427,733
Reportable segment profit (operating profit)	9,687,439	1,152,192	194,339	11,033,970
Depreciation and amortisation before inter-segment elimination	(10,861,059)	(2,017,059)	(254,342)	(13,132,460)
Reversal/(provision) of impairment losses of trade and other receivables	9,231	(2,789)	(866)	5,576
Interest income	36,801	7,428	13,362	57,591
Interest expense	(2,734,631)	(516,648)	(15,340)	(3,266,619)
Reportable segment assets	209,945,615	54,818,900	9,828,830	274,593,345
Expenditures for reportable segment non-current assets during the year	13,134,276	7,156,750	779,637	21,070,663
Reportable segment liabilities	126,548,950	38,353,352	8,896,871	173,799,173

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FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

15 SEGMENT REPORTING (Continued)

(a) Segment results, assets and liabilities (Continued)

For the year ended 31 December 2024:

	CONTINUING OPERATIONS				DISCONTINUED OPERATIONS	
	Wind power (Restated) RMB'000	Solar power RMB'000	All others RMB'000	Subtotal (Restated) RMB'000	Coal power RMB'000	Total (Restated) RMB'000
Revenue from external customers						
– Sales of electricity	28,658,806	2,390,600	14,032	31,063,438	2,842,869	33,906,307
– Others	101,945	50,842	248,131	400,918	2,856,959	3,257,877
Subtotal	28,760,751	2,441,442	262,163	31,464,356	5,699,828	37,164,184
Inter-segment revenue	–	–	1,121,777	1,121,777	–	1,121,777
Reportable segment revenue	28,760,751	2,441,442	1,383,940	32,586,133	5,699,828	38,285,961
Reportable segment profit/ (operating profit)	12,355,618	521,462	180,675	13,057,755	247,735	13,305,490

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15 SEGMENT REPORTING (Continued)

(a) Segment results, assets and liabilities (Continued)

For the year ended 31 December 2024: (Continued)

	CONTINUING OPERATIONS				DISCONTINUED OPERATIONS	Total (Restated) RMB'000
	Wind power (Restated) RMB'000	Solar power RMB'000	All others RMB'000	Subtotal (Restated) RMB'000	Coal power RMB'000	
Depreciation and amortisation before inter- segment elimination	(10,395,580)	(1,244,318)	(177,639)	(11,817,537)	(187,807)	(12,005,344)
Reversal/(provision) of impairment losses of trade and other receivables	(119,556)	(20)	23,397	(96,179)	(1,200)	(97,379)
Provision of impairment losses of non-current assets	(783,224)	(236,834)	(277)	(1,020,335)	–	(1,020,335)
Write-down of inventories	(3,219)	–	–	(3,219)	–	(3,219)
Interest income	87,721	781	19,836	108,338	991	109,329
Interest expense	(2,704,782)	(438,228)	(296,885)	(3,439,895)	(41,585)	(3,481,480)
Reportable segment assets	207,535,086	52,308,540	9,621,850	269,465,476	–	269,465,476
Expenditures for reportable segment non-current assets during the year	11,097,767	16,556,326	1,519,442	29,173,535	28,030	29,201,565
Reportable segment liabilities	128,884,867	39,594,686	8,615,850	177,095,403	–	177,095,403

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FOR THE YEAR ENDED 31 DECEMBER 2025

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15 SEGMENT REPORTING (Continued)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	2025	2024
	RMB'000	(Restated) RMB'000
Revenue		
Reportable segment revenue	31,427,733	38,285,961
Elimination of inter-segment revenue	(1,175,020)	(1,121,777)
Elimination of discontinued operations	—	(5,699,828)
Consolidated revenue	30,252,713	31,464,356
Profit		
Reportable segment profit	11,033,970	13,305,490
Elimination of inter-segment profit	(105,621)	(86,293)
Elimination of discontinued operations	—	(247,735)
	10,928,349	12,971,462
Share of profits less losses of associates and joint ventures	142,708	165,144
Net finance expenses	(3,452,505)	(3,432,619)
Unallocated head office and corporate expenses	(354,489)	(325,397)
Consolidated profit before taxation from continuing operations	7,264,063	9,378,590

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15 SEGMENT REPORTING (Continued)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (Continued)

	2025	2024 (Restated)
	<i>RMB'000</i>	<i>RMB'000</i>
Assets		
Reportable segment assets	274,593,345	269,465,476
Inter-segment elimination	(10,459,268)	(9,203,371)
	264,134,077	260,262,105
Investments in associates and joint ventures	5,900,077	5,860,406
Equity investments at FVOCI	209,310	186,958
Other financial assets	186,238	192,797
Tax recoverable	195,155	88,035
Deferred tax assets	616,437	840,684
Unallocated head office and corporate assets	74,445,428	72,157,046
Elimination	(80,609,794)	(81,658,266)
Consolidated total assets	265,076,928	257,929,765

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FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

15 SEGMENT REPORTING (Continued)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (Continued)

	2025	2024
	RMB'000	(Restated) RMB'000
Liabilities		
Reportable segment liabilities	173,799,173	177,095,403
Inter-segment elimination	(29,253,090)	(27,112,404)
	144,546,083	149,982,999
Tax payable	347,305	659,531
Deferred tax liabilities	367,356	345,713
Unallocated head office and corporate liabilities	93,149,221	85,572,550
Elimination	(61,754,809)	(64,654,768)
Consolidated total liabilities	176,655,156	171,906,025

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

15 SEGMENT REPORTING (Continued)

(c) Geographical information

(i) External revenue generated from the following countries:

	Continuing operations		Discontinued operations
	2025	2024 (Restated)	2024
	RMB'000	RMB'000	RMB'000
PRC	29,586,637	30,738,212	5,699,828
Overseas	666,076	726,144	—
Total	<u>30,252,713</u>	<u>31,464,356</u>	<u>5,699,828</u>

The geographical location of customers is based on the location at which the electricity was transferred, goods were delivered, and services were provided.

(ii) Non-current assets (excluding investments in associates and joint ventures, deferred tax assets and financial assets included in other assets) located in the following countries:

	2025	2024 (Restated)
	RMB'000	RMB'000
PRC	204,578,815	197,584,725
Overseas	<u>2,969,224</u>	<u>3,044,528</u>
Total	<u>207,548,039</u>	<u>200,629,253</u>

The non-current asset information above is based on the locations of the assets.

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FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

15 SEGMENT REPORTING (Continued)

(d) Major customers

Revenue from the PRC government-controlled power grid companies amounted to RMB29,689,119,000 for the year ended 31 December 2025 (2024: RMB32,809,727,000).

16 PROPERTY, PLANT AND EQUIPMENT

	Buildings and structures <i>RMB'000</i>	Generators and related equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Furniture, fixtures and others <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
Cost:						
At 1 January 2024	19,449,996	213,825,332	366,265	2,927,260	26,757,563	263,326,416
Business combination under common control (<i>Note 42</i>)	59,252	636,478	1,998	11,339	5,781	714,848
At 1 January 2024 (restated)	19,509,248	214,461,810	368,263	2,938,599	26,763,344	264,041,264
Additions (restated)	34,875	1,014,050	13,843	239,677	23,638,687	24,941,132
Transfer from construction in progress (restated)	1,638,145	22,000,565	–	240,908	(23,879,618)	–
Acquisition of subsidiaries	17,184	1,076,424	–	288	1,118,709	2,212,605
Disposals (restated)	(7,194)	(748,615)	(17,206)	(9,860)	(11,209)	(794,084)
Disposal of subsidiaries	(2,453,846)	(7,566,093)	(26,289)	(584,559)	(334,410)	(10,965,197)
Exchange adjustments	(3,393)	(141,737)	–	(252)	(68,196)	(213,578)
At 31 December 2024 (restated)	18,735,019	230,096,404	338,611	2,824,801	27,227,307	279,222,142
At 1 January 2025	18,735,019	230,096,404	338,611	2,824,801	27,227,307	279,222,142
Additions	101,808	243,083	6,265	90,245	19,282,362	19,723,763
Transfer from construction in progress	824,491	24,403,833	–	204,793	(25,433,117)	–
Disposals	(1,372)	(1,697,220)	(11,974)	(12,210)	(591,982)	(2,314,758)
Exchange adjustments	17,142	156,010	5	985	(20,707)	153,435
At 31 December 2025	19,677,088	253,202,110	332,907	3,108,614	20,463,863	296,784,582

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FOR THE YEAR ENDED 31 DECEMBER 2025
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16 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Buildings and structures <i>RMB'000</i>	Generators and related equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Furniture, fixtures and others <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
Accumulated depreciation and impairment losses:						
At 1 January 2024	7,050,302	83,121,205	316,411	2,154,812	1,314,055	93,956,785
Business combination under common control (<i>Note 42</i>)	13,662	238,951	719	8,095	–	261,427
At 1 January 2024 (restated)	7,063,964	83,360,156	317,130	2,162,907	1,314,055	94,218,212
Depreciation (restated)	373,851	10,265,113	8,963	327,689	–	10,975,616
Impairment	3,215	591,865	–	–	100,412	695,492
Acquisition of subsidiaries	4,700	91,395	–	7	–	96,102
Write-back on disposals	(4,314)	(622,696)	(16,131)	(7,050)	(7,906)	(658,097)
Disposal of subsidiaries	(1,625,534)	(5,545,788)	(13,048)	(470,304)	–	(7,654,674)
Exchange adjustments	(1,637)	(69,151)	–	(143)	(26,273)	(97,204)
At 31 December 2024 (restated)	5,814,245	88,070,894	296,914	2,013,106	1,380,288	97,575,447
At 1 January 2025	5,814,245	88,070,894	296,914	2,013,106	1,380,288	97,575,447
Depreciation	496,176	11,412,485	13,114	309,938	–	12,231,713
Impairment	–	33,321	302	8	54,963	88,594
Write-back on disposals	(510)	(1,585,590)	(10,986)	(9,950)	(563,689)	(2,170,725)
Exchange adjustments	7,500	58,474	1	445	(7,441)	58,979
At 31 December 2025	6,317,411	97,989,584	299,345	2,313,547	864,121	107,784,008
Net carrying amount:						
At 31 December 2024 (restated)	12,920,774	142,025,510	41,697	811,695	25,847,019	181,646,695
At 31 December 2025	13,359,677	155,212,526	33,562	795,067	19,599,742	189,000,574

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FOR THE YEAR ENDED 31 DECEMBER 2025

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16 PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (i) Provision of impairment losses

For the year ended 31 December 2025, the wind power segment of the Group recognised impairment losses for property, plant and equipment (“PPE”) of RMB88,594,000. For the year ended 31 December 2024, the wind power segment and the solar power segment of the Group recognised impairment losses for PPE of RMB695,492,000 and impairment losses for intangible assets of RMB324,843,000. The impairment losses included the impairment of individual assets and impairment for CGUs, which are included in “Impairment losses on non-current assets” in the “Consolidated Statement of Profit or Loss and Other Comprehensive Income”.

- Impairment of individual assets

For the year ended 31 December 2025, certain construction in progress in the wind power segment was in long-term delay of construction progress or suspended due to various factors. The Group impaired those assets and recognised an impairment loss of RMB59,013,000.

- Impairment for CGUs

When any indicators of impairment are identified, PPE or intangible assets are reviewed for impairment based on each CGU. The CGU is an individual plant or individual entity. The carrying values of these individual plants or entities were compared to the recoverable amounts of the CGUs.

For the year ended 31 December 2025, one wind farm of the Group carried out the special programme of replacing smaller units of wind turbines with larger ones, the generators and related equipment of the wind farm will be demolished in the near future and would no longer be used, the recoverable amount of the CGU is lower than its carrying amount. The Group estimated the recoverable amount of the CGU on the basis of the fair value less cost of disposal which was measured via market method, the fair value was categorised into Level 3 measurement. The recoverable amount of the CGU as at 31 December 2025 was RMB23,274,000, an impairment loss of RMB29,581,000 was recognised of PPE.

- (ii) Up to the reporting date, the Group was still in the process of applying for the registration of the title certificates of its buildings to its name with an aggregate carrying value of approximately RMB348 million (2024 : RMB658 million). The Directors are of the opinion that the Group is entitled to lawfully and validly occupy or use the above mentioned property.

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17 LEASES

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Land use right <i>RMB'000</i>	Buildings and structures <i>RMB'000</i>	Generators and related equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Sea-use rights <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2024	4,748,738	135,179	442,243	3,048	493,778	5,822,986
Business combination under common control (<i>Note 42</i>)	10,429	–	–	–	–	10,429
As at 1 January 2024 (restated)	4,759,167	135,179	442,243	3,048	493,778	5,833,415
Additions (restated)	965,980	867,482	70,087	1,168	–	1,904,717
Acquisition of subsidiaries	42,552	–	–	–	–	42,552
Depreciation charge (restated)	(246,287)	(117,107)	(25,665)	(2,642)	(21,710)	(413,411)
Disposals	(66,596)	(8,376)	(1,269)	(324)	–	(76,565)
Disposal of subsidiaries	(232,138)	(48)	–	–	–	(232,186)
Exchange adjustments	(4,472)	161	–	9	–	(4,302)
As at 31 December 2024 (restated)	5,218,206	877,291	485,396	1,259	472,068	7,054,220
As at 1 January 2025	5,218,206	877,291	485,396	1,259	472,068	7,054,220
Additions	874,853	291,833	98,643	2,429	771	1,268,529
Depreciation charge	(352,835)	(93,287)	(52,380)	(1,451)	(21,716)	(521,669)
Disposals	(6,429)	(11,390)	–	–	–	(17,819)
Exchange adjustments	546	(118)	–	84	–	512
As at 31 December 2025	5,734,341	1,064,329	531,659	2,321	451,123	7,783,773

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

17 LEASES (Continued)

(a) Right-of-use assets (Continued)

Note:

- (i) Up to the reporting date, the Group was still in the process of applying for the registration of the title certificates of its land use right to its name with an aggregate carrying value of approximately RMB52 million (2024 : RMB59 million). The Directors are of the opinion that the Group is entitled to lawfully and validly occupy or use the above mentioned property.

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 (Restated) RMB'000
Carrying amount at 1 January	2,674,370	1,696,824
Business combination under common control (Note 42)	155	—
Carrying amount at 1 January (restated)	2,674,525	1,696,824
Additions	557,838	1,279,831
Accretion of interest recognised during the year	142,888	109,321
Disposals	(13,681)	(76,638)
Payments	(381,944)	(330,116)
Exchange adjustments	961	(4,697)
Cost and carrying amount as at 31 December	2,980,587	2,674,525
Analysed into:		
Current portion	202,867	167,586
Non-current portion	2,777,720	2,506,939

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17 LEASES (Continued)

(b) Lease liabilities (Continued)

As at 31 December 2025, part of the lease liabilities amounting to RMB216,046,000 (2024: RMB249,498,000) was derived from leases from the related parties under CHN Energy.

The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 (Restated) RMB'000
Interest on lease liabilities	95,084	56,795
Depreciation charge of right-of-use assets	445,562	284,090
Expense relating to short-term leases and lease of low-value assets	174,523	124,564
Variable lease payments not included in the measurement of lease liabilities	8,211	7,947
Total amounts recognised in profit or loss	723,380	473,396

(c) Variable lease payments

The Group has lease contracts for Land use right that contain variable payments based on the Group's revenue generated from the sale of electricity. These terms are negotiated by management for certain Land use right where the wind turbines are located. Management's objective is to align the lease expense with the revenue of the sale of electricity. The amount of variable lease payments recognised in profit or loss for the current year for these leases was RMB8,211,000 (2024: RMB7,947,000).

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18 INTANGIBLE ASSETS

	Concession assets <i>RMB'000</i>	Power sales rights <i>RMB'000</i>	Software and others* <i>RMB'000</i>	Total <i>RMB'000</i>
Cost:				
At 1 January 2024	11,928,823	550,804	279,160	12,758,787
Business combination under common control (<i>Note 42</i>)	–	–	2,303	2,303
At 1 January 2024 (restated)	11,928,823	550,804	281,463	12,761,090
Additions	37,063	–	68,689	105,752
Acquisition of subsidiaries	–	–	27	27
Disposals	(41,552)	–	(300)	(41,852)
Exchange adjustments	–	(17,351)	(10)	(17,361)
At 31 December 2024 (restated)	11,924,334	533,453	349,869	12,807,656
At 1 January 2025	11,924,334	533,453	349,869	12,807,656
Additions	33,978	–	44,393	78,371
Disposals	–	–	(4,986)	(4,986)
Exchange adjustments	–	3,837	(5)	3,832
At 31 December 2025	11,958,312	537,290	389,271	12,884,873

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18 INTANGIBLE ASSETS (Continued)

	Concession assets RMB'000	Power sales rights RMB'000	Software and others* RMB'000	Total RMB'000
Accumulated amortisation and Impairment losses:				
At 1 January 2024	7,251,685	229,889	134,691	7,616,265
Business combination under common control (Note 42)	–	–	1,461	1,461
At 1 January 2024 (restated)	7,251,685	229,889	136,152	7,617,726
Amortisation (restated)	481,384	29,099	18,004	528,487
Impairment	324,843	–	–	324,843
Acquisition of subsidiaries	–	–	3	3
Disposals	–	–	(181)	(181)
Exchange adjustments	–	(12,385)	(6)	(12,391)
At 31 December 2024 (restated)	8,057,912	246,603	153,972	8,458,487
At 1 January 2025	8,057,912	246,603	153,972	8,458,487
Amortisation	402,577	28,226	13,437	444,240
Disposals	–	–	(3,622)	(3,622)
Exchange adjustments	–	416	(7)	409
At 31 December 2025	8,460,489	275,245	163,780	8,899,514
Net Carrying amount:				
At 31 December 2024 (restated)	3,866,422	286,850	195,897	4,349,169
At 31 December 2025	3,497,823	262,045	225,491	3,985,359

* As at 31 December 2025, the Group's data resources primarily consist of wind and solar monitoring points data mart applications, which are recognised as other intangible assets with amount of RMB11,440,000 (2024 : RMB2,817,000).

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19 GOODWILL

	2025 RMB'000	2024 RMB'000
Cost	145,668	145,668
Accumulated impairment losses	—	—
Cost and carrying amount as at 31 December	145,668	145,668

Impairment tests for CGUs containing goodwill:

Goodwill is allocated to the Group's CGUs identified according to operating segment as follows:

	2025 RMB'000	2024 RMB'000
Cost and carrying amount as at 31 December	145,668	145,668

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19 GOODWILL (Continued)

Goodwill of the wind power segment in the Group arose from the acquisition of Buerjin Tianrun Wind Power Co., Ltd. (布爾津縣天潤風電有限公司), Fuxin Julonghu Wind Power Generation Co., Ltd. (阜新巨龍湖風力發電有限公司) and Fuxin Huashun Wind Power Generation Co., Ltd. (阜新華順風力發電有限公司).

The recoverable amount of goodwill is determined based on value-in-use calculation. The calculation uses cash flow projections based on financial budgets approved by the Directors covering a five-year period and a pre-tax discount rate of 8.33%-10.08% (2024: 9.62%-10.63%).

Cash flows beyond the five-year period are expected to maintain constant, which is comparable with the industry. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

The key assumption used for the value-in-use calculations is the revenue from electricity sales. Management determined the revenue from electricity sales based on its expectation of electricity and the tariffs approved by related government authorities.

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20 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries at 31 December 2025 which principally affected the results, assets or liabilities of the Group.

Name of the company	Place of incorporation/ registration and business	Issued and fully paid-up/ registered capital	Percentage of attributable equity interest		Principal activities
			Direct	Indirect	
1 江蘇龍源新能源有限公司 Jiangsu Longyuan New Energy Co., Ltd.	PRC/Chinese Mainland	RMB 692,997,000	51.00%	49.00%	Wind power generation
2 吉林龍源風力發電有限公司 Jilin Longyuan Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 438,200,000	56.58%	9.65%	Wind power generation
3 遼寧龍源新能源發展有限公司 Liaoning Longyuan New Energy Development Co., Ltd.	PRC/Chinese Mainland	RMB 1,438,382,300	100.00%	–	Wind power generation
4 龍源棲霞風力發電有限公司 Longyuan Qixia Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 18,400,000	–	80.00%	Wind power generation
5 天津龍源海晶新能源有限公司 Tianjin Longyuan Haijing New Energy Co., Ltd.	PRC/Chinese Mainland	RMB 751,800,000	85.00%	–	Solar power generation
6 雄亞(維爾京)有限公司 Hero Asia (BVI) Co., Ltd.	The British Virgin Islands	USD 1,000	–	100.00%	Investment
7 射陽龍源風力發電有限公司 Sheyang Longyuan Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 1,300,000,000	50.00%	10.00%	Wind power generation
8 龍源鹽城新能源發展有限公司 Longyuan Yancheng New Energy Development Co., Ltd.	PRC/Chinese Mainland	RMB 1,350,000,000	51.00%	–	Wind power generation

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20 INVESTMENTS IN SUBSIDIARIES (Continued)

Name of the company	Place of incorporation/ registration and business	Issued and fully paid-up/ registered capital	Percentage of attributable equity interest		Principal activities
			Direct	Indirect	
9 龍源國能海上風電(鹽城)有限公司 Longyuan Guoneng Offshore Wind Power Generation (Yancheng) Co., Ltd.	PRC/Chinese Mainland	RMB 1,350,000,000	51.00%	–	Wind power generation
10 依蘭龍源匯能風力發電有限公司 Yilan Longyuan Huineng Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 183,772,714	92.00%	–	Wind power generation
11 國能重慶風電開發有限公司 China Energy Chongqing Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 523,198,000	51.00%	–	Wind power generation
12 通榆新發風力發電有限公司 Tongyu Xinfu Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 790,728,900	95.46%	4.54%	Wind power generation
13 寧夏龍源新能源有限公司 Ningxia Longyuan New Energy Co., Ltd.	PRC/Chinese Mainland	RMB 2,605,961,460	100.00%	–	Wind power generation
14 龍源阜新風力發電有限公司 Longyuan Fuxin Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 188,186,000	100.00%	–	Wind power generation
15 龍源(張北)風力發電有限公司 Longyuan (Zhangbei) Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 204,670,000	100.00%	–	Wind power generation
16 臨澤龍源新能源有限公司 Linze Longyuan New Energy Co., Ltd.	PRC/Chinese Mainland	RMB 1,605,000,000	100.00%	–	Wind power generation
17 國能北投瀋陽風電有限公司 Guoneng Beitou Guanyang Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 207,100,000	–	51.00%	Wind power generation

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20 INVESTMENTS IN SUBSIDIARIES (Continued)

Name of the company	Place of incorporation/ registration and business	Issued and fully paid-up/ registered capital	Percentage of attributable equity interest		Principal activities
			Direct	Indirect	
18 全州國能能源有限公司 Quanzhou Guoneng Energy Co., Ltd.	PRC/Chinese Mainland	RMB 411,380,300	–	100.00%	Wind power generation
19 龍源(張家口)風力發電有限公司 Longyuan (Zhangjiakou) Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 1,636,105,900	100.00%	–	Wind power generation
20 福建龍源海上風力發電有限公司 Fujian Longyuan Offshore Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 2,204,800,000	70.00%	–	Wind power generation
21 龍源大柴旦新能源開發有限公司 Longyuan Da Chai Dan New Energy Development Co., Ltd.	PRC/Chinese Mainland	RMB 302,000,000	100.00%	–	Wind power generation
22 阜新巨龍湖風力發電有限公司 Fuxin Julong Lake Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 400,000,000	–	60.00%	Wind power generation
23 吳忠龍源新能源有限公司 Wuzhong Longyuan New Energy Co., Ltd.	PRC/Chinese Mainland	RMB 270,760,000	100.00%	–	Wind power generation
24 貴州龍源新能源有限公司 Guizhou Longyuan New Energy Co., Ltd.	PRC/Chinese Mainland	RMB 1,275,435,380	100.00%	–	Wind power generation
25 龍源大豐風力發電有限公司 Longyuan Dafeng Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 520,614,000	100.00%	–	Wind power generation

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20 INVESTMENTS IN SUBSIDIARIES (Continued)

Name of the company	Place of incorporation/ registration and business	Issued and fully paid-up/ registered capital	Percentage of attributable equity interest		Principal activities
			Direct	Indirect	
26 河北龍源中保風力發電有限公司 Hebei Longyuan Zhongbao Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 409,808,000	–	70.00%	Wind power generation
27 赤峰龍源松州風力發電有限公司 Chifeng Longyuan Songzhou Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 1,170,054,411	100.00%	–	Wind power generation
28 內蒙古龍源蒙東新能源有限公司 Inner Mongolia Longyuan Mengdong New Energy Co., Ltd.	PRC/Chinese Mainland	RMB 585,122,920	100.00%	–	Wind power generation
29 雲南龍源新能源有限公司 Yunnan Longyuan New Energy Co., Ltd.	PRC/Chinese Mainland	RMB 1,237,262,000	100.00%	–	Wind power generation
30 甘肅龍源新能源有限公司 Gansu Longyuan New Energy Co., Ltd.	PRC/Chinese Mainland	RMB 624,530,000	75.00%	25.00%	Wind power generation
31 天津龍源新能源有限公司 Tianjin Longyuan New Energy Co., Ltd.	PRC/Chinese Mainland	RMB 480,307,320	100.00%	–	Wind power generation
32 福建龍源新能源有限公司 Fujian Longyuan New Energy Co., Ltd.	PRC/Chinese Mainland	RMB 553,787,400	100.00%	–	Wind power generation
33 龍源阿拉山口風力發電有限公司 Longyuan Alashankou Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 308,610,000	100.00%	–	Wind power generation

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20 INVESTMENTS IN SUBSIDIARIES (Continued)

Name of the company	Place of incorporation/ registration and business	Issued and fully paid-up/ registered capital	Percentage of attributable equity interest		Principal activities
			Direct	Indirect	
34 龍源(酒泉)風力發電有限公司 Longyuan (Jiuquan) Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 976,134,000	100.00%	–	Wind power generation
35 山西龍源新能源有限公司 Shanxi Longyuan New Energy Co. Ltd.	PRC/Chinese Mainland	RMB 510,117,530	100.00%	–	Wind power generation
36 河北龍源新能源有限公司 Hebei Longyuan New Energy Co. Ltd.	PRC/Chinese Mainland	RMB 917,836,750	100.00%	–	Wind power generation
37 江蘇海上龍源新能源有限公司 Jiangsu Offshore Longyuan New Energy Co., Ltd.	PRC/Chinese Mainland	RMB 768,000,000	70.00%	–	Wind power generation
38 龍源大理風力發電有限公司 Longyuan Dali Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 649,211,900	80.00%	–	Wind power generation
39 龍源黃海如東海上風力發電有限公司 Longyuan Huanghai Rudong Offshore Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 500,000,000	70.00%	–	Wind power generation
40 龍源(北京)新能源工程技術有限公司 Longyuan (Beijing) New Energy Engineering Technology Co., Ltd.	PRC/Chinese Mainland	RMB 30,000,000	100.00%	–	Manufacture and sale of power equipment
41 龍源巴裡坤風力發電有限公司 Longyuan Balikun Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 563,442,800	100.00%	–	Wind power generation

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20 INVESTMENTS IN SUBSIDIARIES (Continued)

Name of the company	Place of incorporation/ registration and business	Issued and fully paid-up/ registered capital	Percentage of attributable equity interest		Principal activities
			Direct	Indirect	
42 龍源達茂風力發電有限公司 Longyuan Damao Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 420,898,700	100.00%	–	Wind power generation
43 龍源臨沂風力發電有限公司 Longyuan Linyi Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 333,940,000	43.00%	57.00%	Wind power generation
44 龍源哈密新能源有限公司 Longyuan Hami New Energy Co., Ltd.	PRC/Chinese Mainland	RMB 259,630,000	100.00%	–	Wind power generation
45 海安龍源海上風力發電有限公司 Haian Longyuan Offshore Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 840,000,000	70.00%	–	Wind power generation
46 龍源鹽城大豐海上風力發電有限公司 Longyuan Yancheng Dafeng Offshore Wind Power Generation Co., Ltd.	PRC/Chinese Mainland	RMB 1,507,142,900	70.00%	9.58%	Wind power generation
47 龍源南非可再生能源有限公司 Longyuan South Africa Renewables Proprietary Limited	South Africa	ZAR 100	–	100.00%	Wind power generation
48 廣西龍源新能源有限公司 Guangxi Longyuan New Energy Co., Ltd.	PRC/Chinese Mainland	RMB 1,324,464,840	100.00%	–	Wind power generation
49 雄亞投資有限公司 Hero Asia Investment Limited	Hong Kong	HKD 10,000	100.00%	–	Investment

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20 INVESTMENTS IN SUBSIDIARIES (Continued)

Name of the company	Place of incorporation/ registration and business	Issued and fully paid-up/ registered capital	Percentage of attributable equity interest		Principal activities
			Direct	Indirect	
50 龍源加拿大可再生能源有限公司 Longyuan Canada Renewables Limited (note (iii))	Canada	CAD 90,000,000	–	100.00%	Wind power generation
51 國能定邊新能源有限公司 Guoneng Dingbian New Energy Co., Ltd.	PRC/Chinese Mainland	RMB 388,929,444	100.00%	–	Wind power generation
52 國能雲南新能源有限公司 Guoneng Yunnan New Energy Co., Ltd.	PRC/Chinese Mainland	RMB335,657,400	100.00%	–	Wind power generation
53 國電甘肅新能源有限公司 Guodian Gansu New Energy Co., Ltd.	PRC/Chinese Mainland	RMB264,234,525	100.00%	–	Wind power generation
54 中衛龍源新能源有限公司 Zhongwei Longyuan New Energy Co., Ltd.	PRC/Chinese Mainland	RMB1,730,431,460	–	100.00%	Solar power generation
55 國能滕縣能源發展有限公司 Guoneng Tengxian Energy Development Co., Ltd.	PRC/Chinese Mainland	RMB1,038,150,000	51.00%	–	Wind power generation

Notes:

- (i) For subsidiaries incorporated in PRC, the English translation of the names is for reference only. The official names of these entities are in Chinese.
- (ii) All subsidiaries established in the PRC are limited liability companies.
- (iii) The bonds issued by the subsidiaries are set out in Note 29(e).

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21 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	2025 RMB' 000	2024 RMB' 000
Share of net assets	5,900,077	5,860,406

The following list contains only the particulars of material associates at 31 December 2025, all of which are limited liability companies established in the PRC, which principally affected the results or assets of the Group:

	Place of establishment	Particulars of registered capital	Percentage of attributable equity interest		Principal activities
			Direct	Indirect	
Associates					
國能融資租賃有限公司 Guoneng Financial Leasing Co., Ltd.	PRC	RMB 7,000,000	–	49.00%	Finance leasing
南通天生港發電有限公司 Nantong Tianshenggang Power Generation Co., Ltd.	PRC	USD 52,980	0.65%	31.29%	Coal power generation and sale

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21 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (Continued)

Summarised financial information of the material associates, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, is disclosed below:

	Guoneng Financial Leasing Co., Ltd.	
	2025	2024
	RMB'000	RMB'000
Current assets	19,593,693	12,453,355
Non-current assets	40,466,564	44,483,229
Current liabilities	(48,230,373)	(43,391,568)
Non-current liabilities	(4,330,715)	(6,070,383)
Equity	7,499,169	7,474,633
Revenue	1,268,428	1,468,175
Profit for the year	200,396	200,057
Total comprehensive income	200,396	200,057
Dividends declared to the Group during the year	86,171	–
Reconciled to the Group's interests in the associates		
Gross amounts of net assets of the associate	7,499,169	7,474,633
The Group's effective interest	49.00%	49.00%
The Group's share of net assets of the associate	3,674,593	3,662,570
Carrying amount in the consolidated financial statements	3,674,593	3,662,570

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21 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (Continued)

	Nantong Tianshenggang Power Generation Co., Ltd.	
	2025 RMB'000	2024 RMB'000
Current assets	620,274	660,765
Non-current assets	3,838,397	3,644,780
Current liabilities	(1,032,463)	(1,002,496)
Non-current liabilities	(223,961)	(205,420)
Equity	3,202,247	3,097,629
Less: Non-controlling interests	(19,870)	(35,525)
Total equity attributable to equity holders of the associate	3,182,377	3,062,104
Revenue	1,637,060	297,524
Profit for the year	149,753	32,057
Total comprehensive income	149,753	32,057
Dividends declared to the Group during the year	12,776	15,970
Reconciled to the Group's interests in the associates		
Gross amounts of net assets of the associate	3,182,377	3,062,104
The Group's effective interest	31.94%	31.94%
The Group's share of net assets of the associate	1,016,451	978,036
Impact of fair value adjustment	245,563	245,563
Elimination of cross-shareholdings	(399,545)	(365,125)
Carrying amount in the consolidated financial statements	862,469	858,474

The Group's interests in Nantong Tiandian has been accounted for as an investment in an associate since October 2024 (see Note 5).

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21 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (Continued)

Aggregate information of associates and joint ventures that are not individually material is as follows:

	2025 RMB'000	2024 RMB'000
Aggregate carrying amount of individually immaterial associates and joint ventures in the consolidated financial statements	1,363,015	1,339,362
Aggregate amounts of the Group's share of those associates' and joint ventures' profit from continuing operations	31,103	56,877
Aggregate amounts of the Group's share of those associates' and joint ventures' total comprehensive income from continuing operations	31,103	56,877

On 14 November 2025, the Company entered into an equity transfer agreement with CHN Energy New Energy Technology Co., Ltd. ("CHN Energy New Energy", 國家能源集團新能源有限責任公司), a related party of the Group, to dispose of all its interests in an associate, Guodian United Power Technology Co., Ltd., ("United Power", 國電聯合動力技術有限公司) at a consideration of RMB1, with amount of RMB1 recognised in "Other net income". Upon completion of this disposal, United Power became the wholly-owned subsidiary of CHN Energy New Energy (see the section headed "Connected transactions" in the Director's Report of the Group for the year ended 31 December 2025 for details).

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22 OTHER ASSETS

	2025	2024
	<i>RMB'000</i>	(Restated) <i>RMB'000</i>
Listed equity investments designated at FVOCI (note (i))	21,418	20,548
Unlisted equity investments designated at FVOCI (note (ii))	187,892	166,410
Loans and advances to non-controlling equity owner (note (iii))	44,067	42,700
Others	748,423	797,398
Subtotal	1,001,800	1,027,056
Deductible VAT (note (iv))	6,681,462	6,593,403
	7,683,262	7,620,459
Less: Loss allowance	—	—
	7,683,262	7,620,459

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22 OTHER ASSETS (Continued)

Notes:

- (i) The listed equity investments designated at FVOCI are equity investments in companies established in the PRC and listed in Shanghai Stock Exchange Market or Shenzhen Stock Exchange Market.
- (ii) The unlisted equity investments designated at FVOCI are equity investments in limited liability companies established in the PRC and the Group's management has assessed and classified these equity investments into equity investments through other comprehensive income and measured them at fair value (cannot be reclassified to profit or loss in subsequent periods).
- (iii) The loans to non-controlling equity owners were unsecured and not past due as at the end of the reporting period, and bore interest at the rates of 10.26% per annum for the year ended 31 December 2025 (31 December 2024: 11.33%).
- (iv) Deductible VAT mainly represents the input VAT relating to the acquisition of property, plant and equipment, inventories and intangible assets.

23 INVENTORIES

Inventories comprised:

	2025	2024
	RMB'000	(Restated) RMB'000
Material and supplies	401,834	433,246
Less: Provision for inventory obsolescence	(1,977)	(3,219)
Total	399,857	430,027

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23 INVENTORIES (Continued)

Movements of provision for inventory obsolescence during the years are analysed as follows:

	2025 RMB'000	2024 RMB'000
Beginning of the year	3,219	9,199
Provision	—	3,219
Written-off	(1,242)	—
Disposal of subsidiaries	—	(9,199)
End of the year	1,977	3,219

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24 TRADE AND BILLS RECEIVABLES

	2025	2024 (Restated)
	<i>RMB'000</i>	<i>RMB'000</i>
Amounts due from third parties	44,199,822	43,922,285
Amounts due from fellow subsidiaries	262,726	165,933
Amounts due from associates	8,223	7,883
	44,470,771	44,096,101
Less: Loss allowance	(473,763)	(481,449)
	43,997,008	43,614,652
Analysed into:		
Trade receivables	43,988,245	43,598,409
Bills receivable	8,763	16,243
	43,997,008	43,614,652

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24 TRADE AND BILLS RECEIVABLES (Continued)

(a) Ageing analysis

The ageing analysis of trade and bills receivable of the Group, based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 (Restated) RMB'000
Within 1 year or no invoice date specified	43,978,754	43,598,670
Between 1 and 2 years	6,897	8,471
Between 2 and 3 years	7,952	1,727
Over 3 years	3,405	5,784
	43,997,008	43,614,652

The Group's trade and bills receivables are mainly wind power and solar power sales receivables and tariff premium of renewable energy receivables from local state grid companies. Generally, these receivables are due within 15 to 30 days from the date of billing, except for the tariff premium. The collection of such tariff premium is subject to the allocation of funds by relevant government authorities to local state grid companies, which consequently takes a relatively long time for settlement.

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24 TRADE AND BILLS RECEIVABLES (Continued)

(b) Impairment of trade and bills receivables

The movements in the loss allowance for doubtful debts are as follows:

	2025 RMB'000	2024 (Restated) RMB'000
At 1 January	481,449	357,690
Impairment losses provided for the year from continuing operations	3,233	156,795
Reversal of impairment losses for the year from continuing operations	(9,153)	(39,757)
Acquisition of a subsidiary	—	62,460
Disposal of subsidiaries	—	(54,633)
Exchange adjustments	(1,766)	(1,106)
At 31 December	473,763	481,449

Pursuant to Caijian [2020] No. 4 Notice on Promoting the Healthy Development of Non-aqueous Renewable Energy Power Generation (關於促進非水可再生能源發電健康發展的若干意見) and Caijian [2020] No. 5 Notice on the Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加資金管理辦法) jointly issued by the Ministry of Finance, the NDRC of the PRC and the National Energy Administration in January 2020, a set of new standardised procedures for the settlement of the aforementioned renewable energy tariff premium have come into force since January 2020 and approvals on a project-by-project basis are required before the allocation of funds to local grid companies. Caijian [2012] No. 102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance in March 2012 was repealed at the same time.

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24 TRADE AND BILLS RECEIVABLES (Continued)

(b) Impairment of trade and bills receivables (Continued)

As at 31 December 2025, most of the Group's related projects have been approved for the tariff premium of renewable energy and certain projects were in the process of applying for the approval. The Directors are of the opinion that the approvals will be obtained in due course. The tariff premium receivables are settled in accordance with the prevailing government policies and prevalent payment trends of the Ministry of Finance. There is no due date for settlement. The Directors considered the probability of default of trade receivables from the tariff premium is remote since such tariff premium is funded by the PRC government and taking into account the past payment histories of the local grid companies, adjusted for general economic conditions of the new energy industry and an assessment of both current as well as forecast direction of market conditions at the reporting date. Accordingly, the Directors are of the opinion that the credit risk of trade receivables from the tariff premium is remote.

The Group has applied the simplified approach to measure the provision for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected credit loss provision for all trade receivables. To measure the expected credit loss of trade receivables excluding tariff premium receivables, trade receivables have been grouped based on shared credit risk characteristics and the ageing.

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24 TRADE AND BILLS RECEIVABLES (Continued)

(b) Impairment of trade and bills receivables (Continued)

Set out below is the information about the overall credit risk exposure on the Group's trade receivables:

	2025	2024 (Restated)
Expected credit loss rate	1.07%	1.09%
Gross carrying amount (RMB'000)	44,462,008	44,079,858
Expected credit losses (RMB'000)	473,763	481,449

As at 31 December 2025, bills receivable were all bank acceptance bills with a maturity of one to six months. Management considered the expected credit losses according to the probability of default and finally did not make the expected credit losses in the year of 2025.

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25 PREPAYMENTS AND OTHER CURRENT ASSETS

	2025	2024
	RMB'000	(Restated) RMB'000
Loans and advances to:		
– Associates and joint ventures	28,381	36,863
– Third parties	31,915	33,899
Government grant receivables	112,849	130,944
Dividends receivable from associates	50,708	44,492
Deductible VAT (Note 22(iv))	1,763,296	1,681,666
Receivable deposits for aborted planned acquisitions	–	165,750
Prepayments and others	1,524,164	1,184,988
	3,511,313	3,278,602
Less: Loss allowance	(486,184)	(502,028)
	3,025,129	2,776,574

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25 PREPAYMENTS AND OTHER CURRENT ASSETS (Continued)

The movements in the loss allowance for doubtful debts are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	502,028	437,969
Impairment losses provided for the year from continuing operations	1,442	1,312
Impairment losses provided for the year from discontinued operations	—	1,200
Reversal of impairment losses for the year from continuing operations	(1,098)	(31,352)
Impairment losses recognised upon disposal of subsidiaries	—	474,542
Disposal of subsidiaries	—	(12,697)
Written off	(16,188)	(368,946)
At 31 December	486,184	502,028

For government grant receivables, dividends receivable from associates, and other receivables, an impairment analysis is performed at each reporting date by considering the probability of default by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. For loans and advances, management evaluated the expected credit loss on individual base.

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26 OTHER FINANCIAL ASSETS

	2025 RMB'000	2024 RMB'000
Financial assets at FVTPL		
– Listed equity securities on the Hong Kong Stock Exchange	186,238	192,797

27 RESTRICTED DEPOSITS

Restricted deposits as at 31 December 2025 mainly represent the performance bond deposits and land reclamation deposits.

28 CASH AT BANKS

	2025 RMB'000	2024 (Restated) RMB'000
Cash at banks and other financial institutions	2,012,139	3,151,590
Representing:		
– Cash and cash equivalents	2,012,139	3,151,590

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29 BORROWINGS

(a) The long-term interest-bearing borrowings comprise:

	2025	2024 (Restated)
	RMB'000	RMB'000
Bank loans		
– Secured (note (i))	7,117,766	8,405,418
– Unsecured	62,712,080	59,752,516
Loans from fellow subsidiaries		
– Unsecured	9,238,425	12,875,720
Loans from an associate		
– Secured (note (i))	1,445,714	947,765
– Unsecured	–	907,014
Loans from third parties		
– Secured (note (i))	2,852,476	1,212,297
– Unsecured	–	377,773
Other borrowings (note 29(e)(i))		
– Secured	402,470	561,703
– Unsecured	28,700,000	19,000,000
	112,468,931	104,040,206
Less: Current portion of long-term borrowings (note 29(b))		
– Bank loans	(16,433,619)	(9,815,865)
– Loans from fellow subsidiaries	(1,733,650)	(2,618,292)
– Loans from an associate	(443,446)	(43,922)
– Loans from third parties	(1,684,631)	(66,220)
– Other borrowings	(48,414)	(3,561,922)
	92,125,171	87,933,985

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FOR THE YEAR ENDED 31 DECEMBER 2025
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29 BORROWINGS (Continued)

(a) The long-term interest-bearing borrowings comprise: (Continued)

Notes:

- (i) Certain secured borrowings of the subsidiaries of the Group were secured by property, plant and equipment with net carrying amount of RMB8,162,969,000 (31 December 2024: RMB4,439,235,000), inventories with net carrying amount of RMB16,099,000 (31 December 2024: RMB4,020,000) and trade debtors' beneficial rights arising from future electricity sales.
- (ii) As at 31 December 2025, the Group's loans and borrowings guaranteed by CHN Energy was nil (31 December 2024: RMB39,682,000).

Certain of the Group's banking facilities are subject to the fulfilment of covenants, which are relating to the Group's financial metrics which are tested at any time throughout the loan term based on the lending arrangements with financial institutions. If the Group were to breach the covenants, the related loans would become payable on demand. Further details of the covenants and the Group's management of liquidity risk are set out in Note 37(c). As at 31 December 2025, some covenants relating to drawn down facilities had been breached, of which RMB1,531,138,000 was reclassified as current liabilities payable on demand (31 December 2024: RMB1,666,006,000).

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FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

29 BORROWINGS (Continued)

(b) The short-term interest-bearing borrowings comprise:

	2025	2024 (Restated)
	RMB'000	RMB'000
Bank loans		
– Unsecured	14,362,135	14,239,322
Loans from fellow subsidiaries		
– Unsecured	1,514,674	13,813,590
Loans from an associate		
– Secured (note (a) (i))	388,650	132,000
Other borrowings		
– Unsecured (note 29(e) (ii))	22,800,000	11,400,000
	39,065,459	39,584,912
Current portion of long-term borrowings (note 29(a))		
– Bank loans	16,433,619	9,815,865
– Loans from fellow subsidiaries	1,733,650	2,618,292
– Loans from an associate	443,446	43,922
– Loans from third parties	1,684,631	66,220
– Other borrowings	48,414	3,561,922
	59,409,219	55,691,133

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29 BORROWINGS (Continued)

(c) The effective interest rates per annum on borrowings are as follows:

	2025 RMB'000	2024 RMB'000
Long-term		
Bank loans	1.30%~12.16%	1.30%~12.16%
Loans from fellow subsidiaries	1.75%~3.05%	2.10%~3.55%
Loans from an associate	1.85%~3.15%	2.09%~3.15%
Loans from third parties	0.00%~3.52%	0.00%~3.62%
Other borrowings	1.72%~4.32%	1.85%~4.32%
Short-term		
Bank loans	1.40%~4.75%	2.00%~4.78%
Loans from fellow subsidiaries	1.75%~2.80%	1.95%~2.80%
Loans from an associate	2.15%~2.50%	2.20%~2.30%
Loans from third parties	2.85%~3.50%	3.62%
Other borrowings	1.72%~4.32%	1.68%~2.05%

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FOR THE YEAR ENDED 31 DECEMBER 2025

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29 BORROWINGS (Continued)

(d) The borrowings are repayable as follows:

	2025	2024 (Restated)
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	59,409,219	55,691,133
After 1 year but within 2 years	38,591,873	31,726,256
After 2 years but within 5 years	16,349,860	19,547,255
After 5 years	37,183,438	36,660,474
	151,534,390	143,625,118
Including		
Bank loans:		
Within 1 year	30,795,754	24,005,187
After 1 year but within 2 years	9,625,686	12,649,824
After 2 years but within 5 years	13,789,672	15,750,406
After 5 years	29,980,869	29,941,839
	84,191,981	82,347,256
Loans other than bank loans:		
Within 1 year	28,613,465	31,685,946
After 1 year but within 2 years	28,966,187	19,076,432
After 2 years but within 5 years	2,560,188	3,796,849
After 5 years	7,202,569	6,718,635
	67,342,409	61,277,862

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29 BORROWINGS (Continued)

(e) Significant terms of other borrowings:

	2025 RMB'000	2024 RMB'000
Long-term (<i>note (i)</i>)		
Current portion of long-term other borrowings	48,414	3,561,922
Non-current portion of long-term other borrowings	29,054,056	15,999,781
Short-term		
Short-term financing bonds (<i>note (ii)</i>)	22,800,000	11,400,000

Notes:

- (i) On 22 October 2015, a subsidiary of the Company, Longyuan Canada Renewables Limited, issued an eighteen-year corporate bond of CAD200,000,000 at par with a coupon rate of 4.32% per annum. The effective interest rate is 4.57%. As at 31 December 2025, CAD100,431,000 of the corporate bond was repaid.

In 2024, the Company issued 7 medium-term notes with total amount of RMB15,500 million, at par with coupon rates from 1.85% to 2.50%, with maturities ranging from 3 to 10 years, and at effective interest rates ranging from 1.95% to 2.60%. In 2025, none of these medium-term notes were repaid.

In 2025, the Company issued 9 medium-term notes with total amount of RMB13,200 million, with maturities ranging from 3 to 10 years, at par with coupon rates from 1.71% to 1.96%, and at effective interest rates ranging from 1.73% to 1.97%.

- (ii) Short-term financing bonds represented a series of unsecured corporate bonds with the effective interest rates from 1.47% to 1.94% issued in 2025.

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30 TRADE AND BILLS PAYABLES

	2025	2024 (Restated)
	<i>RMB'000</i>	<i>RMB'000</i>
Bills payables	1,499,206	3,542,490
Trade payables	2,746,701	2,220,422
Amounts due to associates	448	48,861
Amounts due to fellow subsidiaries	369,449	204,304
	4,615,804	6,016,077

The ageing analysis of trade payables by invoice date is as follows:

	2025	2024 (Restated)
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	4,147,999	5,784,864
Between 1 and 2 years	261,532	216,311
Between 2 and 3 years	196,144	10,056
Over 3 years	10,129	4,846
	4,615,804	6,016,077

As at 31 December 2025 and 2024, all trade and bills payables are payable and expected to be settled within one year.

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31 OTHER CURRENT LIABILITIES

	2025	2024
	<i>RMB'000</i>	(Restated) <i>RMB'000</i>
Payables for acquisitions of property, plant and equipment	9,787,307	10,710,879
Payables for staff-related costs	68,433	70,719
Payables for other taxes	445,306	491,298
Dividends payable	1,299,039	1,461,692
Amounts due to associates and joint ventures (note (i))	264,859	1,833,778
Amounts due to fellow subsidiaries (note (i))	1,024,657	560,582
Amounts due to CHN Energy (note (i))	86,300	61,625
Payables for acquisition of a subsidiary	85,793	85,793
Accrued interest payable	451,335	369,750
Other accruals and payables	1,462,071	841,233
Derivative financial instruments		
– Interest rate swap contracts (note (ii))	59,942	32,925
Contract liabilities	191,951	115,045
	15,226,993	16,635,319

Notes:

- (i) Amounts due to CHN Energy, fellow subsidiaries, associates and joint ventures are unsecured and interest-free, and have no fixed terms of repayment. In 2025, the Group disposed of the interest of an associate to a fellow subsidiary, and the amounts due to this associate was reclassified to amounts due to fellow subsidiaries, accordingly (see Note 21).
- (ii) In 2015, Longyuan Mulilo De Aar Wind Power (RF) Proprietary Limited and Longyuan Mulilo De Aar 2 North (RF) Proprietary Limited, two subsidiaries of the Group, entered into interest rate swap contracts to mitigate the interest rate risks. The interest rate swap contracts are recognised in accordance with the accounting policies set out in Note 2(p).
- (iii) Except for derivative financial instruments, all other payables are measured at amortised cost and expected to be settled within one year or are repayable on demand.

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32 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Tax payable/(recoverable) in the consolidated statement of financial position represents:

	2025 <i>RMB'000</i>	2024 (Restated) <i>RMB'000</i>
Net tax payable at 1 January	571,496	356,719
Provision for the year from continuing operations (<i>Note 10(a)</i>)	1,349,390	1,605,761
Provision for the year from discontinued operations	—	277,885
Under-provision in respect of prior years from continuing operations (<i>Note 10(a)</i>)	20,928	21,845
Income tax paid	(1,789,664)	(1,657,011)
Disposal of subsidiaries	—	(33,703)
Net tax payable at 31 December	152,150	571,496
Representing:		
Tax payable	347,305	659,531
Tax recoverable	(195,155)	(88,035)
	152,150	571,496

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32 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised

The components of deferred tax assets and liabilities recognised in the consolidated statement of financial position and the movements during the years are as follows:

Deferred tax assets arising from:	Provision for impairment of assets RMB'000	Unrealised profits RMB'000	Depreciation and amortisation RMB'000	Changes in fair value of derivative financial instruments RMB'000	Losses available for offsetting against future taxable profits RMB'000	Equity investments RMB'000	Revaluation of other properties RMB'000	Lease liability RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	650,357	98,061	42,960	–	373,817	11,724	30,649	155,256	47,055	1,409,879
Credited/(charged) to profit or loss from continuing operations (restated)	58,526	(31,947)	(2,423)	8,890	(82,534)	–	(4,825)	336,998	13,715	296,400
Charged to profit or loss from discontinued operations	(300)	–	–	–	–	–	–	–	(1,853)	(2,153)
Fair value reserve	–	–	–	–	–	(484)	–	–	–	(484)
Acquisition of subsidiaries	–	–	–	–	–	–	526	–	–	526
Disposal of subsidiaries	(1,803)	–	–	–	–	–	–	–	(14,269)	(16,072)
Exchange reserve	3,231	–	–	–	(17,671)	–	–	(1,184)	(3,683)	(19,307)
At 31 December 2024 (restated) and 1 January 2025	710,011	66,114	40,537	8,890	273,612	11,240	26,350	491,070	40,965	1,668,789
(Charged)/credited to profit or loss from continuing operations	(216,645)	(3,535)	(2,788)	7,294	(75,104)	–	(4,719)	97,087	8,389	(190,021)
Fair value reserve	–	–	–	–	–	(5,421)	–	–	–	(5,421)
Exchange reserve	(2,104)	–	–	–	10,066	–	–	(10)	1,541	9,493
At 31 December 2025	491,262	62,579	37,749	16,184	208,574	5,819	21,631	588,147	50,895	1,482,840

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32 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised (Continued)

Deferred tax liabilities arising from:	Revaluation of other properties <i>RMB'000</i>	Depreciation and amortisation <i>RMB'000</i>	Changes in fair value of derivative financial instruments <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	(13,413)	(634,516)	(1,845)	(157,979)	(807,753)
Credited/(charged) to profit or loss from continuing operations (restated)	2,416	(5,594)	1,845	(344,099)	(345,432)
Credited to profit or loss from discontinued operations	654	-	-	-	654
Acquisition of subsidiaries	(9,011)	-	-	-	(9,011)
Disposal of subsidiaries	3,132	-	-	-	3,132
Exchange reserve	-	(14,302)	-	(1,106)	(15,408)
At 31 December 2024 (restated) and 1 January 2025	(16,222)	(654,412)	-	(503,184)	(1,173,818)
Credited/(charged) to profit or loss from continuing operations	7,460	(8,083)	-	(84,693)	(85,316)
Exchange reserve	-	25,386	-	(11)	25,375
At 31 December 2025	(8,762)	(637,109)	-	(587,888)	(1,233,759)

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32 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised (Continued)

Reconciliation to the consolidated statement of financial position:

	2025 RMB'000	2024 (Restated) RMB'000
Net deferred tax asset recognised in the consolidated statement of financial position	616,437	840,684
Net deferred tax liability recognised in the consolidated statement of financial position	(367,356)	(345,713)

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(x), the Group has not deferred tax assets in respect of cumulative tax losses of RMB4,258,529,000 (2024: RMB2,998,926,000) and deductible temporary differences of RMB1,802,192,000 (2024: RMB1,741,159,000) as at 31 December 2025, as it is not probable that future taxable profits against which the losses and the provisions can be utilised will be available in the relevant entity.

According to the tax law, the Group had tax losses of RMB3,941,833,000 (2024: RMB2,682,230,000) arose in Chinese Mainland that can be carried forward to set off against future taxable income which will expire within 1 to 5 years.

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32 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(c) Deferred tax assets not recognised (Continued)

Tax losses of an amount of RMB316,696,000 are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The deductible cumulative tax losses which will expire within 1 to 5 years is set out below:

	2025 RMB'000	2024 RMB'000
2025	—	377,736
2026	262,541	277,579
2027	199,144	207,420
2028	434,519	440,162
2029	1,302,575	1,379,333
2030	1,743,054	—
Total unused tax losses	3,941,833	2,682,230

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32 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(d) Deferred tax liabilities not recognised

As the Company is a PRC Tax Resident Enterprise, the Company is exempted from the PRC tax charged on the dividends remitted to the Company by the PRC subsidiaries, associates or joint ventures. As such, no deferred income tax liabilities on unremitted earnings of PRC subsidiaries, associates or joint ventures would be recognised and the Company has no plan to dispose of any of these investees in the foreseeable future.

As at 31 December 2025, the temporary difference relating to the retained earnings of the Group's overseas subsidiaries was RMB41,493,000 (31 December 2024: RMB31,400,000). As the Group can control the subsidiary's dividend policy and anticipates that the profits will most likely not be distributed in the foreseeable future and the Company has no plan to dispose of any of these investees in the foreseeable future, no deferred tax liability has been recognised for income tax payable as a result of the distribution of these retained earnings.

33 EMPLOYEE BENEFITS

Pursuant to the relevant labour rules and regulations in the PRC, the Group participated in defined contribution retirement schemes (the "Schemes") organised by the relevant local government authorities for its employees. The Group is required to make contributions to the Schemes at 16% of the salaries of the employees. The local government authorities are responsible for the entire pension obligations payable to retired employees. The Group has no other material obligation to make payments in respect of pension benefits associated with these Schemes and the supplementary retirement plan other than the annual contributions described above. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

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34 DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
At 1 January	595,425	845,360
Additions	8,349	547
Credited to profit or loss from continuing operations	(112,083)	(164,318)
Credited to profit or loss from discontinued operations	—	(7,037)
Disposal of subsidiaries	—	(79,127)
At 31 December	491,691	595,425

Deferred income mainly represents the VAT refund granted by the government relating to the purchase of domestic equipment, other subsidies relating to the construction of property, plant and equipment, which would be recognised as income on a straight-line basis over the expected useful life of the relevant assets.

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35 OTHER NON-CURRENT LIABILITIES

	2025 RMB'000	2024 RMB'000
Long-term retention payables and engineering equipment payables		
– Associates and joint ventures	–	208,007
– Fellow subsidiaries	197,159	44,445
– Third parties	547,227	973,352
Others	346,644	128,513
	1,091,030	1,354,317

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36 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of reserves of the Company

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital RMB'000 (Note 36(c))	Treasury shares RMB'000 (Note 36(d))	Other equity instruments RMB'000	Capital reserve RMB'000 (Note 36(e)(i))	Statutory surplus reserve RMB'000 (Note 36(e)(ii))	Special reserve RMB'000 (Note 36(e)(iii))	Fair value reserve RMB'000 (Note 36(e)(iv))	Retained earnings RMB'000	Total equity RMB'000
At 1 January 2024	8,381,963	(56,648)	2,022,877	16,118,641	3,377,859	-	658	20,508,550	50,353,900
Changes in equity for 2024:									
Profit for the year	-	-	45,823	-	-	-	-	5,809,211	5,855,034
Other comprehensive income	-	-	-	-	-	-	139	-	139
Total comprehensive income	-	-	45,823	-	-	-	139	5,809,211	5,855,173
Redemption of other equity instruments	-	-	(1,999,300)	(700)	-	-	-	-	(2,000,000)
Appropriation	-	-	-	-	584,656	-	-	(584,656)	-
Dividends to shareholders of the Company	-	-	-	-	-	-	-	(1,860,113)	(1,860,113)
Distribution to holders of other equity instruments	-	-	(69,400)	-	-	-	-	-	(69,400)
Safety Production Expenditures	-	-	-	-	-	110	-	(110)	-
Profit compensation	-	-	-	89,105	-	-	-	-	89,105
Repurchase of own shares (Note 36(d))	-	(55,246)	-	(126)	-	-	-	-	(55,372)
Cancellation of treasury shares (Note 36(d))	(22,147)	111,894	-	(89,890)	-	-	-	-	(143)
At 31 December 2024	8,359,816	-	-	16,117,030	3,962,515	110	797	23,872,882	52,313,150

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36 CAPITAL, RESERVES AND DIVIDENDS (Continued)

	Share capital RMB'000 (Note 36(c))	Capital reserve RMB'000 (Note 36(e) (i))	Statutory surplus reserve RMB'000 (Note 36(e) (ii))	Special reserve RMB'000 (Note 36(e) (iii))	Fair value reserve RMB'000 (Note 36(e) (v))	Retained earnings RMB'000	Total equity RMB'000
At 1 January 2025	8,359,816	16,117,030	3,962,515	110	797	23,872,882	52,313,150
Changes in equity for 2025:							
Profit for the year	-	-	-	-	-	2,225,059	2,225,059
Other comprehensive income	-	-	-	-	2,248	-	2,248
Total comprehensive income	-	-	-	-	2,248	2,225,059	2,227,307
Effect on business combination under common control	-	7,847	-	-	-	-	7,847
Appropriation	-	-	217,393	-	-	(217,393)	-
Dividends to shareholders of the Company	-	-	-	-	-	(2,740,348)	(2,740,348)
Safety Production Expenditures	-	-	-	122	-	(122)	-
At 31 December 2025	8,359,816	16,124,877	4,179,908	232	3,045	23,140,078	51,807,956

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36 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Dividends

	2025 RMB'000	2024 RMB'000
Interim dividend declared and paid of RMB0.1000 per ordinary share(2024:nil)	835,982	—
Final dividend proposed after the end of the reporting period of RMB0.0625 per ordinary share (2024: RMB0.2278 per ordinary share)	522,488	1,904,366

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2025 of RMB0.0625 per ordinary share has been recommended by the Directors and is subject to approval of the shareholders at the forthcoming Annual General Meeting. The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period. If any circumstances, such as issuance of new shares or share repurchase before the record date for dividend distribution, results in the changes in our total number of shares on record date for dividend distribution, dividend per share shall be adjusted accordingly on the premise that the total dividend amount remains unchanged.

(c) Share capital

	2025 RMB'000	2024 RMB'000
Issued and fully paid:		
Domestic state-owned ordinary shares of RMB1.00 each	5,041,934	5,041,934
H shares of RMB1.00 each	3,317,882	3,317,882
	8,359,816	8,359,816

All shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company. All shares rank equally with regard to the Company's residual assets.

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36 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) Treasury shares

In 2023 and 2024, the Company repurchased 22,147,000 H shares with a total consideration (excluding the related transactions costs) of RMB111,894,000.

The above shares have been cancelled in March 2024. The implementation of this repurchase was in compliance with the requirements of the Company's share repurchase program and relevant laws and regulations.

(e) Nature and purpose of reserves

(i) Capital reserve

The capital reserve includes share premium and the other capital reserve.

Share premium represents the difference between the total amount of the par value of the shares issued and the amount of the net proceeds received from the Initial Public Offering (“**IPO**”) in December 2009 and the placing of new H shares in December 2012.

The other capital reserve mainly represents the difference between the total amount of the nominal value of shares issued and the amount of the net assets injected by CHN Energy and the cash injection in excess of the nominal value of shares issued to Guodian Northeast Electric Power Co., Ltd. upon the establishment of the Company, and the capital reserve as a result of merger with Pingzhuang Energy by a share swap in January 2022, and the capital reserve as a result of the acquisition of business and business combinations under common control.

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36 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(e) Nature and purpose of reserves (Continued)

(ii) Statutory surplus reserve

According to the Company's Articles of Association, the Company is required to transfer 10% of its net profit as determined in accordance with the PRC Accounting Rules and Regulations to its statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to equity holders. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the Company and is non-distributable other than in liquidation.

(iii) Special reserve

According to the "Management Measures for the Extraction and Use of Enterprise Safety Production Expenses" issued by the Ministry of Finance on 13 December 2022 (Caizi [2022] No.136), the subsidiaries of the Company which are engaging power generation are required to set aside an amount of certain percentage of revenue to safety production fund since December 2022. The withdrawn safety production fund was recorded in special reserve, which can be used for safety facilities and environment improvement, and is not available for distribution to shareholders. Upon incurring qualifying safety expenditure, an equivalent amount should be transferred from special reserve to retained earnings.

(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations that have functional currencies other than the RMB and the foreign exchange differences on the net investment in foreign operations of the Group which are dealt with in accordance with the accounting policies as set out in Note 2(ab).

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36 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(e) Nature and purpose of reserves (Continued)

(v) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments at FVOCI (income tax exclusive) held at the end of the reporting period and is dealt with in accordance with the accounting policies in Notes 2(m) and 2(x).

(f) Distributability of reserves

According to the Company's Articles of Association, the distributable profits are the lower of the net profit of the year as determined under PRC accounting rules and regulations and the amount determined under IFRS Accounting Standards. At 31 December 2025, the aggregate amount of reserves available for distribution to equity holders of the Company was RMB23,140,078,000 (2024: RMB23,872,882,000). After the end of the reporting period, the Directors proposed a final dividend of RMB0.0625 per share (see Note 36(b)), amounting to RMB522,488,000. The dividend has not been recognised as a liability at the end of the reporting period.

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36 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(e) Nature and purpose of reserves (Continued)

(g) Capital management

The Group's primary objectives for managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of the net gearing ratio, which is calculated by dividing net debt (the sum of total borrowings and lease liabilities less cash and cash equivalents) by the sum of net debt and total equity. The net gearing ratio of the Group as at 31 December 2025 was 63.3% (2024: 62.5%).

There were no changes in the Group's approach to capital management compared with previous years. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

At 31 December 2025

	Financial assets at FVTPL RMB'000	Financial assets at FVOCI RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Current				
Trade and bills receivables	–	43,672,763	324,245	43,997,008
Financial assets included in prepayments and other current assets	–	–	1,118,427	1,118,427
Other financial assets	186,238	–	–	186,238
Restricted deposits	–	–	146,252	146,252
Cash and cash equivalents	–	–	2,012,139	2,012,139
	<u>186,238</u>	<u>43,672,763</u>	<u>3,601,063</u>	<u>47,460,064</u>
Non-current				
Financial assets included in other assets	–	209,310	44,067	253,377
	<u>–</u>	<u>209,310</u>	<u>44,067</u>	<u>253,377</u>
	<u>186,238</u>	<u>43,882,073</u>	<u>3,645,130</u>	<u>47,713,441</u>

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial instruments by category (Continued)

Financial liabilities

At 31 December 2025

	Financial liabilities at FVTPL RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Current			
Interest-bearing loans and other borrowings	–	59,409,219	59,409,219
Trade and bills payables	–	4,615,804	4,615,804
Lease liabilities	–	202,867	202,867
Financial liabilities in other current liabilities	59,942	14,461,361	14,521,303
	<u>59,942</u>	<u>78,689,251</u>	<u>78,749,193</u>
Non-current			
Interest-bearing loans and other borrowings	–	92,125,171	92,125,171
Financial liabilities in other non-current liabilities	–	1,091,030	1,091,030
Lease liabilities	–	2,777,720	2,777,720
	<u>–</u>	<u>95,993,921</u>	<u>95,993,921</u>
	<u>59,942</u>	<u>174,683,172</u>	<u>174,743,114</u>

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial instruments by category (Continued)

Financial liabilities (Continued)

At 31 December 2024

	Financial assets at FVTPL	Financial assets at FVOCI (Restated)	Financial assets at amortised cost (Restated)	Total (Restated)
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Trade and bills receivables	–	43,370,143	244,509	43,614,652
Financial assets included in prepayments and other current assets	–	–	1,309,953	1,309,953
Other financial assets	192,797	–	–	192,797
Restricted deposits	–	–	158,789	158,789
Cash and cash equivalents	–	–	3,151,590	3,151,590
	<u>192,797</u>	<u>43,370,143</u>	<u>4,864,841</u>	<u>48,427,781</u>
Non-current				
Financial assets included in other assets	–	186,958	42,700	229,658
	<u>–</u>	<u>186,958</u>	<u>42,700</u>	<u>229,658</u>
	<u>192,797</u>	<u>43,557,101</u>	<u>4,907,541</u>	<u>48,657,439</u>

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial instruments by category (Continued)

Financial liabilities (Continued)

At 31 December 2024

	Financial liabilities at FVTPL <i>RMB'000</i>	Financial liabilities at amortised cost (<i>Restated</i>) <i>RMB'000</i>	Total (<i>Restated</i>) <i>RMB'000</i>
Current			
Interest-bearing loans and other borrowings	–	55,691,133	55,691,133
Trade and bills payables	–	6,016,077	6,016,077
Lease liabilities	–	167,586	167,586
Financial liabilities in other current liabilities	32,925	15,925,332	15,958,257
	<u>32,925</u>	<u>77,800,128</u>	<u>77,833,053</u>
Non-current			
Interest-bearing loans and other borrowings	–	87,933,985	87,933,985
Financial liabilities in other non-current liabilities	–	1,354,317	1,354,317
Lease liabilities	–	2,506,939	2,506,939
	<u>–</u>	<u>91,795,241</u>	<u>91,795,241</u>
	<u>32,925</u>	<u>169,595,369</u>	<u>169,628,294</u>

The exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities, and movements in its own equity share price.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Credit risk

The Group's credit risk is primarily attributable to cash and cash equivalents, restricted deposits, trade and bills receivables, other financial assets, financial assets included in prepayments and other current assets and financial assets included in other non-current assets.

The receivables from the sale of electricity mainly represent receivables from the provincial power grid companies. The Group has no significant credit risk with any of these power grid companies as the Group and its subsidiaries maintain long-term and stable business relationships with these companies. The receivables from the provincial power grid companies accounted for 97% of the Group's total trade and bills receivables as at 31 December 2025 (31 December 2024: 98%).

For other trade receivables and other receivables, the Group performs an ongoing individual credit evaluation of its customers' and counterparties' financial conditions. The allowance for doubtful debts has been made in the financial statements.

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Credit risk (Continued)

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

At 31 December 2025

	12-month ECLs	Lifetime ECLs			Simplified approach	RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000		RMB'000	
Trade and bills receivables*	8,763	–	–	44,462,008		44,470,771
Financial assets included in prepayments and other current assets						
– Normal**	1,118,427	–	–	–		1,118,427
– Doubtful**	–	–	486,184	–		486,184
Restricted deposits	146,252	–	–	–		146,252
Cash and cash equivalents	2,012,139	–	–	–		2,012,139
Financial assets included in other non-current assets	44,067	–	–	–		44,067
	<u>3,329,648</u>	<u>–</u>	<u>486,184</u>	<u>44,462,008</u>		<u>48,277,840</u>

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

At 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 (Restated) RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach (Restated) RMB'000	(Restated) RMB'000
Trade and bills receivables*	16,243	–	–	44,079,858	44,096,101
Financial assets included in prepayments and other current assets					
– Normal**	1,309,953	–	–	–	1,309,953
– Doubtful**	–	–	502,028	–	502,028
Restricted deposits	158,789	–	–	–	158,789
Cash and cash equivalents	3,151,590	–	–	–	3,151,590
Financial assets included in other non-current assets	42,700	–	–	–	42,700
	<u>4,679,275</u>	<u>–</u>	<u>502,028</u>	<u>44,079,858</u>	<u>49,261,161</u>

* Except for wind power and solar power sales receivables and tariff premium of renewable energy receivables, and bills receivables to which the Group applies the 12-month ECLs, the simplified approach for impairment is applied for the Group's remaining trade receivables.

** The credit quality of the financial assets included in prepayments and other current assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

The Group provided financial guarantees to related parties. Except for the financial guarantees extended by the Group as set out in Note 39, the Group did not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in Note 39.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and bills receivables, and prepayments and other current assets are set out in Notes 24 and 25, respectively.

(c) Liquidity risk

The Group's objective is to ensure the continuity of sufficient funding and flexibility by utilising a variety of bank and other borrowings with debt maturities spreading over a range of periods, thereby ensuring that the Group's outstanding borrowing obligation is not exposed to excessive repayment risk in any one year.

The Company is responsible for the Group's overall cash management and the raising of borrowings to cover expected cash demands. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. As at 31 December 2025, the Group has unutilised banking facilities of RMB360,628,348,000. The Group manages the proportion of its current liabilities with respect to the total liabilities to mitigate the liquidity risk.

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity risk (Continued)

As disclosed in Note 29(a), certain of the Group's banking facilities are subject to the fulfilment of covenants which are relating to the Group's financial metrics which are tested at any time throughout the loan term based on the lending arrangements with financial institutions. If the Group were to breach the covenants the related loans would become payable on demand. Information about the covenants for those bank loans classified as non-current at the end of the reporting period, of which the Group did not identify any difficulties complying with the covenants, is set out below:

Carrying amount 2025 RMB'000	Carrying amount 2024 RMB'000	Covenants	Timing to comply with the covenants
12,181,051	9,035,752	Fail to fulfilment of financial ratios including total debts to total assets ratio, current ratio, or long-term investments to total net assets ratio.	At any time throughout the loan term
361,200	428,200	Fail to fulfilment of financial performance including amount of revenue, operating profit or net operating cash flow.	At any time throughout the loan term
922,113	890,000	Others	At any time throughout the loan term
13,464,364	10,353,952		

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity risk (Continued)

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date that the Group can be required to pay.

	Carrying amount <i>RMB'000</i>	Contractual cash flows <i>RMB'000</i>	With in 1 year or on demand <i>RMB'000</i>	1 to 2 years <i>RMB'000</i>	2 to 5 years <i>RMB'000</i>	More than 5 years <i>RMB'000</i>
31 December 2025						
Borrowings	151,534,390	178,842,965	71,642,612	32,966,889	20,954,744	53,278,720
Lease liabilities	2,980,587	4,131,051	242,112	206,229	533,431	3,149,279
Trade and bills payables	4,615,804	4,615,804	4,615,804	–	–	–
Financial liabilities in other current liabilities	14,521,303	14,521,303	14,521,303	–	–	–
Guarantees	–	6,785	6,785	–	–	–
Other long-term liabilities	1,091,030	1,091,030	–	648,111	147,915	295,004
	<u>174,743,114</u>	<u>203,208,938</u>	<u>91,028,616</u>	<u>33,821,229</u>	<u>21,636,090</u>	<u>56,723,003</u>
31 December 2024 (<i>restated</i>)						
Borrowings	143,625,118	166,477,793	58,651,620	34,102,665	25,263,528	48,459,980
Lease liabilities	2,674,525	3,857,427	222,507	202,089	502,519	2,930,312
Trade and bills payables	6,016,077	6,016,077	6,016,077	–	–	–
Financial liabilities in other current liabilities	15,958,257	15,958,257	15,958,257	–	–	–
Guarantees	–	6,565	6,565	–	–	–
Other long-term liabilities	1,354,317	1,354,317	–	1,031,726	218,057	104,534
	<u>169,628,294</u>	<u>193,670,436</u>	<u>80,855,026</u>	<u>35,336,480</u>	<u>25,984,104</u>	<u>51,494,826</u>

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Interest rate risk

The Group's interest rate risk arises primarily from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group regularly reviews and monitors the mix of fixed and variable rate borrowings in order to manage its interest rate risk. During the years ended 31 December 2025 and 2024, however, except for the interest rate swap contracts entered into as stated in Note 31(ii), management of the Group did not consider it necessary to use interest rate swaps to hedge the exposure to interest rate risk.

The following table details the profile of the Group's net borrowings (interest-bearing financial liabilities less interest-bearing financial assets) at the end of the reporting period. The detailed interest rates and maturity information of the Group's borrowings are disclosed in Note 29.

	2025 RMB'000	2024 (Restated) RMB'000
Net fixed rate borrowings:		
Lease liabilities	2,980,587	2,674,525
Borrowings	57,767,727	32,839,908
	<u>60,748,314</u>	<u>35,514,433</u>
Net floating rate borrowings:		
Borrowings	93,766,663	110,785,120
Less: Bank deposits (including restricted deposits)	(2,158,391)	(3,310,379)
Other assets (Note 22)	(44,067)	(42,700)
	<u>91,564,205</u>	<u>107,432,041</u>
Total net borrowings	<u>152,312,519</u>	<u>142,946,474</u>

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Interest rate risk (Continued)

At 31 December 2025, it is estimated that a general increase or decrease of 100 basis points in interest rates of net floating borrowings, with all other variables held constant, would have decreased or increased the Group's profit after tax and retained earnings by approximately RMB686,732,000 (31 December 2024: RMB703,297,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at the end of the reporting period.

The estimated 100 basis points' increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next reporting period. The sensitivity analysis is performed on the same basis for the years presented.

(e) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, borrowings and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily the Hong Kong Dollar, Euro and United States Dollar. The Group manages this risk as follows:

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Currency risk (Continued)

(i) Recognised assets and liabilities

Except for subsidiaries in Hong Kong, South Africa, Canada, and Ukraine, which were denominated in foreign currencies, all revenue-generating operations of the Group are transacted in RMB. In addition, the Group has certain borrowings that are denominated in South African Rand, Canadian Dollar, Euro and United States Dollar.

On the other hand, the RMB is not a freely convertible currency and the PRC government may, at its discretion, restrict access to foreign currencies for current account transactions in the future. Changes in the foreign exchange control system may prevent the Group from satisfying sufficient foreign currency demands and the Group may not be able to pay dividends in foreign currencies to its equity holders.

(ii) Exposure to currency risk

The Group's cash at banks and on hand, prepayments and other current assets, borrowings, trade and bills payables and other current liabilities contain items denominated in foreign currencies. The following table indicates the instantaneous change in the Group's profit after tax (and retained earnings) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in the movement in value of the United States dollar against other currencies.

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Currency risk (Continued)

(ii) Exposure to currency risk (Continued)

	2025		2024	
	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained earnings RMB'000	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained earnings RMB'000
HKD	5% (5%)	612 (612)	5% (5%)	772 (772)
USD	5% (5%)	(47,021) 47,021	5% (5%)	(52,670) 52,670
EUR	5% (5%)	(61,519) 61,519	5% (5%)	(53,367) 53,367
RMB	5% (5%)	1,924 (1,924)	5% (5%)	(1,253) 1,253

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into RMB at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender and the borrower.

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(f) Equity price risk

The Group is exposed to equity price changes arising from equity investments at FVTPL (Note 26) and equity investments at FVOCI (Note 22). The Group's listed investments are listed on the Hong Kong Stock Exchange, Shenzhen Stock Exchange and Shanghai Stock Exchange. Listed investments have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

Unlisted investments are held for long-term purposes. Their performance is assessed at least annually based on the information available to the Group, together with an assessment of their relevance to the Group's long-term strategic plans.

The Directors considered that the Group's exposure to equity price risk is insignificant.

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(g) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13 Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation techniques as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs (i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date).
- Level 2 valuations: Fair value measured using Level 2 inputs (i.e. observable inputs which fail to meet the criteria of Level 1, and not using significant unobservable inputs). Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(g) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

	Fair value measurements as at 31 December 2025 categorised into			
	Fair value at 31 December 2025 <i>RMB'000</i>	Quoted prices in active market for identical assets (Level 1) <i>RMB'000</i>	Significant other observable inputs (Level 2) <i>RMB'000</i>	Significant unobservable inputs (Level 3) <i>RMB'000</i>
Recurring fair value measurement				
Assets:				
Unlisted equity investments designated at FVOCI	187,892	–	–	187,892
Listed equity investments designated at FVOCI	21,418	21,418	–	–
Other financial assets designed at FVTPL	186,238	186,238	–	–
Trade and bills receivables designated at FVOCI	43,672,763	–	2,653,818	41,018,945
Liabilities:				
Derivative financial instruments				
– Interest rate swap contracts	59,942	–	59,942	–

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(g) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

	Fair value measurements as at 31 December 2024 categorised into		
	Quoted prices in active market for identical assets (Level 1) (Restated) <i>RMB'000</i>	Significant other observable inputs (Level 2) (Restated) <i>RMB'000</i>	Significant unobservable inputs (Level 3) <i>RMB'000</i>
Fair value at 31 December 2024			

Recurring fair value measurement

Assets:

Unlisted equity investments

designated at FVOCI	166,410	–	–	166,410

Listed equity investments

designated at FVOCI	20,548	20,548	–	–

Other financial assets

designated at FVTPL	192,797	192,797	–	–

Trade and bills receivables

designated at FVOCI	43,281,542	–	2,306,502	40,975,040

Liabilities:

Derivative financial

instruments

– Interest rate swap

contracts	32,925	–	32,925	–

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(g) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

During the year ended 31 December 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2024: nil). The Group's policy is to recognise transfers between levels of the fair value hierarchy as at the end of the reporting period in which they occur.

The fair value of interest rate swap contracts in Level 2 is determined by discounting the contractual fixed interest rate and deducting the forward Johannesburg Interbank Average Rate ("JIBAR"). The discount rate used is derived from the JIBAR swap yield curve as at the end of the reporting period.

The Group endorsed and factored a significant part of its bills receivable in its normal course of business. The Group managed its trade and bills receivables which generated cash flows resulting from both collecting contractual cash flows and selling the financial assets during the current period. Therefore, the Group measured trade and bills receivables at FVOCI. The fair values of trade and bills receivables were measured using the discounted cash flows model. The model incorporates various market observable inputs including the annualised yields of similar securitisation products and interest rate curves. The carrying amounts of trade and bills receivables are the same as their fair values.

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(g) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at FVOCI have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the Directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculate an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation (“EV/EBITDA”) multiple, enterprise value to earnings before interest and taxes (“EV/EBIT”), price to earnings (“P/E”) multiple and price to book (“P/B”) multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The Directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(g) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December:

2025

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/B	1.26-1.34	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB18,519,000
		Discount for lack of marketability	26%	10% increase/decrease in multiple would result in decrease/increase in fair value by RMB6,507,000

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(g) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

2024

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/B	1.25	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB12,477,000
		Discount for lack of marketability	30%	10% increase/decrease in multiple would result in decrease/increase in fair value by RMB5,347,000

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

The fair value of trade and bills receivables designated at FVOCI classified as level 3 is determined by discounting the expected future cash flow with discount rate by reference to the market rate of return of other financial instruments with similar contract terms, credit risks and residual periods.

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37 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(g) Fair value measurement (Continued)

(ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2025 and 2024 except the following:

	2025		2024	
	Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000	Fair value RMB'000
Other borrowings (Note 29(a))	29,054,056	29,226,485	15,999,781	16,357,903
Fixed rate long-term loans	878,875	899,895	1,880,396	1,921,052
Total	29,932,931	30,126,380	17,880,177	18,278,955

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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38 COMMITMENTS

Capital commitments mainly relate to the construction of new power projects, certain ancillary facilities and renovation projects for existing power plants. Capital commitments outstanding at the year end in the consolidated financial statements were as follows:

	2025 RMB'000	2024 RMB'000
Contracted, but not provided	21,956,343	10,190,662

39 CONTINGENT LIABILITIES

The Company issued a counter-guarantee to Hubei Energy Group Co., Ltd. (湖北能源集团股份有限公司), the controlling equity owner of Hubei Jiugongshan Wind Power Co., Ltd. (湖北省九宮山風力發電有限責任公司), which is an associate of the Company, in respect of a guarantee issued by Hubei Energy Group Co., Ltd. (湖北能源集团股份有限公司) for a banking facility granted to the associate in 2008. At 31 December 2025, the balance of the guarantee provided by Hubei Energy Group Co., Ltd. for Hubei Jiugongshan Wind Power Generation Co., Ltd. is RMB14,135,000 (31 December 2024: RMB13,677,000) and the balance of the counter-guarantee provided by our company based on our shareholding ratio in Hubei Jiugongshan Wind Power Generation Co., Ltd. is RMB6,785,000 (31 December 2024: RMB6,565,000).

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40 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

The Group is part of a large group of companies under CHN Energy and has significant transactions and relationships with the subsidiaries of CHN Energy.

The principal transactions are as follows:

	Note	2025 RMB'000	2024 (Restated) RMB'000
<u>Sales of goods and provision of services to</u>	(i)		
CHN Energy		74,051	39,350
Fellow subsidiaries		358,671	407,487
Associates and joint ventures		5,446	109,899
<u>Purchase of goods and receipt of services from</u>	(ii)		
CHN Energy		17,402	—
Fellow subsidiaries		909,473	4,534,923
Associates and joint ventures		1,665	1,770,660
<u>Purchase of property, plant and equipment and intangible assets</u>	(iii)		
Fellow subsidiaries		251,900	282,213
Associates and joint ventures		140,015	169,183
<u>Net changes in working capital (provided to)/received from</u>	(iv)		
Fellow subsidiaries		(68,352)	(134,434)
Associates and joint ventures		40,271	(111,474)
<u>Loan guarantees revoked from</u>	(v)		
CHN Energy		(39,682)	(35,981)
<u>Loans (repayment of)/proceeds from</u>	(vi)		
Fellow subsidiaries		(15,687,992)	7,152,930
Associates		(150,457)	659,310
<u>Interest expenses and other financial services expenses</u>	(vii)		
Fellow subsidiaries		519,066	571,359
Associates and joint ventures		36,050	36,010
<u>Interest income</u>	(viii)		
Fellow subsidiaries		3,083	4,204

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40 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

	Note	2025 RMB'000	2024 (Restated) RMB'000
<u>Lease payments</u>			
Fellow subsidiaries		46,916	42,097
Associates and joint ventures		340	—
<u>Lease income</u>			
Fellow subsidiaries		57,055	48,276
Associates and joint ventures		—	2,771
<u>Deposits withdrawn from</u>			
A fellow subsidiary	(ix)	(386,476)	(1,217,145)
<u>Increase investment to</u>			
Associates		101,542	256,901

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FOR THE YEAR ENDED 31 DECEMBER 2025
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40 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

Notes:

- (i) The sales to the related parties were made according to the market prices and conditions offered to the major customers of the Group.
- (ii) The purchases from the related parties were made according to the market prices and conditions offered by the fellow subsidiaries and associates to their major customers.
- (iii) The amount represented sale of property, plant and equipment and intangible assets to fellow subsidiaries.
- (iv) The working capital provided to and received from the related parties is unsecured and interest-free.
- (v) CHN Energy has guaranteed certain bank loans made to the Group as at the end of the reporting period, as further detailed in Note 29(a) to the financial statements.
- (vi) The Group received loans from the related parties, as further detailed in Note 29 to the financial statements.
- (vii) The amount represented the interest expenses and other financial services expenses incurred for the loans received from the fellow subsidiaries.
- (viii) The amount represented the interest income received for the loans provided to the fellow subsidiaries, associates and joint ventures.
- (ix) The amount represented the deposit placed and withdrawn from a fellow subsidiary, as further detailed in Note 40(b) to the financial statements.

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40 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties

The deposits placed with a fellow subsidiary amounted to RMB893,764,000 as at 31 December 2025 (31 December 2024 (restated): RMB1,280,240,000). Details of the other outstanding balances with related parties are set out in Notes 17, 24, 25, 29, 30, 31 and 35.

(c) Transactions with other state-controlled entities in the PRC

The Group is a state-controlled entity and operates in an economic regime currently dominated by entities directly or indirectly owned or controlled by the PRC government and numerous government authorities and agencies (collectively referred to as “state-controlled entities”).

Apart from the transactions mentioned above, the Group conducts a majority of its business activities with state-controlled entities in the ordinary course of business. These transactions are carried out on terms similar to those that would be entered into with non-state-controlled entities. Transactions with other state-controlled entities include, but are not limited to the following:

- Sale of electricity;
- Depositing and borrowing money;
- Purchase of materials and receipt of construction work services; and

The tariff of electricity is regulated by the relevant government authorities. The Group prices its other services and products based on the commercial negotiations. The Group has also established its approval process for the sale of electricity, purchase of products and services and its financing policy for borrowings. Such approval process and financing policy do not depend on whether the counterparties are state-controlled entities or not.

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40 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with other state-controlled entities in the PRC (Continued)

Having considered the potential for transactions to be impacted by related party relationships, the Group's approval process and financing policy, and what information would be necessary for an understanding of the potential effect of the relationship on the financial statements, the Directors are of the opinion that the following transactions require disclosure as transactions with other state-controlled entities:

	2025	2024
	RMB'000	(Restated) RMB'000
Sales of electricity	29,689,119	32,809,727
Sales of other products	24,001	510,163
Interest income	42,163	62,019
Interest expenses	2,898,296	2,800,137
Loans proceeds from/(repayment of)	1,554,926	(5,007,199)
Deposits withdrawn from	(765,511)	(556,144)
Purchase of materials and receipt of construction services	3,319,686	6,203,227

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40 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with other state-controlled entities in the PRC (Continued)

The balances of transactions with other state-controlled entities are as follows:

	2025 <i>RMB'000</i>	2024 (Restated) <i>RMB'000</i>
Receivables from sales of electricity	43,835,516	42,974,842
Receivables from sales of other products	36,463	23,950
Bank deposits (including restricted deposits)	1,264,627	1,736,229
Borrowings	83,987,442	82,432,516
Payable for purchase of materials and receiving construction work services	1,370,852	1,819,044

(d) Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The total remuneration of the key management personnel is shown below:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Salaries and other emoluments	3,378	3,841
Discretionary bonuses	7,287	9,483
Retirement scheme contributions	1,523	1,342
	<u>12,188</u>	<u>14,666</u>

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40 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(e) Commitment with related parties

	2025 RMB'000	2024 RMB'000
<u>Capital commitment with</u>		
Fellow subsidiaries	823,431	—
Associates	—	665,880

(f) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of the sales and purchases of goods, the provision of and receipt of services to and from CHN Energy and its subsidiaries, loans from and deposits placed with CHN Energy and its subsidiaries, the provision of financing lease related service and factoring service from CHN Energy and its subsidiaries as detailed in Note 40(a) constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in the section headed “Connected transactions” in the Director’s Report of the Group for the year ended 31 December 2025.

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41 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	2025 RMB'000	2024 RMB'000
Non-current assets		
Property, plant and equipment	199,216	228,259
Intangible assets	9,194	10,132
Investments in subsidiaries	70,010,013	63,744,751
Investments in associates and joint ventures	768,977	2,046,142
Other assets	37,742	76,989
Total non-current assets	71,025,142	66,106,273
Current assets		
Inventories	334	445
Trade and bills receivables	2,703	2,727
Prepayments and other current assets	74,216,983	73,082,858
Restricted deposits	1,629	14,641
Cash at banks and on hand	569,758	478,021
Total current assets	74,791,407	73,578,692

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41 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (Continued)

	2025 RMB'000	2024 RMB'000
Current liabilities		
Borrowings	39,478,563	36,667,502
Trade and bills payables	48,124	48,099
Other payables	17,742,883	16,804,636
Total current liabilities	57,269,570	53,520,237
Net current assets	17,521,837	20,058,455
Total assets less current liabilities	88,546,979	86,164,728
Non-current liabilities		
Borrowings	36,725,781	33,844,601
Deferred income	8,190	2,674
Deferred tax liabilities	5,052	4,303
Total non-current liabilities	36,739,023	33,851,578
NET ASSETS	51,807,956	52,313,150
CAPITAL AND RESERVES		
Share capital	8,359,816	8,359,816
Reserves	43,448,140	43,953,334
TOTAL EQUITY	51,807,956	52,313,150

NOTES TO THE FINANCIAL STATEMENTS

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42 BUSINESS COMBINATIONS UNDER COMMON CONTROL

On October 2024, the Company entered into an equity transfer agreement with CHN Energy Asset Management Co., Ltd. (“Asset Management Co.”, 國家能源集團資產管理有限公司) to acquire 64% equity interests of Guoneng Junan New Energy Technology Co., Ltd. (國家能源莒南新能源有限公司) and 60% equity interests of Guoneng Hukou Wind Power Generation Co., Ltd. (國電湖口風力發電有限公司) held by Asset Management Co. at a consideration of RMB140,905,000.

The above transactions (the “Transactions”) were completed in 2025. Both the entities are engaging in wind power and sales business. As the entities involved in the Transactions are under common control of CHN Energy before and after the acquisition. The Transactions are considered as a business combination under common control. The principle of merger accounting for business combination involving business under common control has therefore been applied. As a result, the consolidated financial statements of the Group have been prepared as if the entities were the subsidiaries of the Company ever since these entities became under common control of CHN Energy.

Accordingly, the consolidated statement of financial position as at 31 December 2024 has been restated to include the assets and liabilities of above entities at carrying amounts in the books of the Group. The consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 2024 have been restated to include the results and cash flows of above entities as if they were the subsidiaries of the Company throughout the year ended 2024. Respective notes to the consolidated financial statements have also been restated. All significant intra-group transactions, balances, income and expenses are eliminated on combination.

NOTES TO THE FINANCIAL STATEMENTS

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42 BUSINESS COMBINATIONS UNDER COMMON CONTROL (Continued)

As a result of the Transactions, the relevant line items in the consolidated statement of financial position as at 31 December 2024 and the consolidated statement of profit or loss and other comprehensive income for the year ended 2024 have been restated. Details are as follows:

	As at 31 December 2024		
	The Group (as previously reported) RMB'000	Effect of the Transactions RMB'000	The Group (as restated) RMB'000
Total non-current assets	207,077,898	439,403	207,517,301
Total current assets	50,289,764	122,700	50,412,464
Total assets	<u>257,367,662</u>	<u>562,103</u>	<u>257,929,765</u>
Total non-current liabilities	92,593,879	142,500	92,736,379
Total current liabilities	<u>78,972,388</u>	<u>197,258</u>	<u>79,169,646</u>
Total liabilities	<u>171,566,267</u>	<u>339,758</u>	<u>171,906,025</u>
Equity attributable to the equity holders of the Company	72,900,859	138,040	73,038,899
Non-controlling interests	<u>12,900,536</u>	<u>84,305</u>	<u>12,984,841</u>
Total equity	<u>85,801,395</u>	<u>222,345</u>	<u>86,023,740</u>
Total equity and liabilities	<u>257,367,662</u>	<u>562,103</u>	<u>257,929,765</u>

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42 BUSINESS COMBINATIONS UNDER COMMON CONTROL (Continued)

	2024		
	The Group (as previously reported net of the effect of discontinued operations) RMB'000	Effect of the Transactions RMB'000	The Group (as restated) RMB'000
Revenue and other net income	32,568,590	97,899	32,666,489
Operating expenses	(19,953,831)	(66,593)	(20,020,424)
Operating profit	12,614,759	31,306	12,646,065
Profit before taxation	9,358,449	20,141	9,378,590
Profit from continuing operations	7,685,511	16,441	7,701,952
Profit from discontinued operations	682,422	–	682,422
Profit for the year	8,367,933	16,441	8,384,374
Other comprehensive income	54,187	–	54,187
Total comprehensive income for the year	<u>8,422,120</u>	<u>16,441</u>	<u>8,438,561</u>
Profit for the year attributable to:			
Equity holders of the Company	6,424,515	10,228	6,434,743
Non-controlling interests	<u>1,943,418</u>	<u>6,213</u>	<u>1,949,631</u>
Total comprehensive income for the year attributable to:			
Equity holders of the Company	6,478,702	10,228	6,488,930
Non-controlling interests	<u>1,943,418</u>	<u>6,213</u>	<u>1,949,631</u>
Basic and diluted earnings per share (RMB cents)	<u>76.30</u>	<u>0.12</u>	<u>76.42</u>

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43 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

	Borrowings RMB'000	Lease liabilities RMB'000	Accrued interest payable RMB'000
At 1 January 2025	143,625,118	2,674,525	369,750
Changes from financing cash flows:			
Proceeds from borrowings	216,258,393	—	—
Repayment of borrowings	(208,521,725)	—	—
Interest paid for borrowing	—	—	(3,349,016)
Lease payments	—	(381,944)	—
Other changes:			
Interest expense	—	142,888	3,430,601
New leases	—	557,838	—
Foreign exchange movement	172,604	961	—
Disposal	—	(13,681)	—
At 31 December 2025	151,534,390	2,980,587	451,335

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43 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(a) Changes in liabilities arising from financing activities (Continued)

	Borrowings RMB'000	Lease liabilities RMB'000	Accrued interest payable RMB'000
At 1 January 2024 (restated)	127,147,707	1,696,824	345,409
Changes from financing cash flows:			
Proceeds from borrowings (restated)	247,813,931	–	–
Repayment of borrowings (restated)	(230,387,406)	–	–
Interest paid for borrowing (restated)	–	–	(3,655,381)
Lease payments (restated)	–	(330,116)	–
Other changes:			
Interest expense (restated)	–	109,321	3,679,722
New leases (restated)	–	1,279,831	–
Foreign exchange movement	(140,607)	(4,697)	–
Acquisition of subsidiaries	1,122,556	–	–
Disposal of a subsidiaries	(1,931,063)	–	–
Disposal	–	(76,638)	–
At 31 December 2024	143,625,118	2,674,525	369,750

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

43 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 <i>RMB'000</i>	2024 (Restated) <i>RMB'000</i>
Within operating activities	182,734	132,191
Within investing activities	706,502	639,119
Within financing activities	381,944	330,116
	1,271,180	1,101,426

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB557,838,000 and RMB557,838,000 (2024: RMB1,279,831,000 and RMB1,279,831,000) respectively, in respect of lease arrangements.

44 SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

The Directors made a resolution on the dividend distribution on 31 March 2026, as detailed in Note 36 (b).

On 8 January 2026, the Company submitted a listing application to Shenzhen Stock Exchange ("SSE", 深圳證券交易所) for a private placement of A-shares targeting specific investors, with proposed proceeds not exceeding RMB5 billion. The net proceeds are intended for investment in the Group's new wind power projects. As of the date of this report, the application remains subject to approval by SSE and registration with China Securities Regulatory Commission (中國證券監督管理委員會).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

45 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR BEGINNING ON 1 JANUARY 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year beginning on 1 January 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature dependent electricity</i>	1 January 2026
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

45 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR BEGINNING ON 1 JANUARY 2025 (Continued)

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and is still in the process of assessing the impact of the adoption.

FINANCIAL STATEMENTS RECONCILIATION BETWEEN PRC GAAP AND IFRS ACCOUNTING STANDARDS

FOR THE YEAR ENDED 31 DECEMBER 2025

(Expressed in thousands of Renminbi unless otherwise stated)

The financial statements, which have been prepared by the Company in conformity with PRC GAAP, differ in certain respects from those of IFRS Accounting Standards. Major impact of adjustments for IFRS Accounting Standards, on the net consolidated profit and equity attributable to equity holders of the Company, is summarised as follows:

	Consolidated profit attributable to equity holders of the Company		Total equity attributable to equity holders of the Company	
	For the year ended		As at 31 December	
	2025	2024	2025	2024
		(Restated)		(Restated)
	RMB'000	RMB'000	RMB'000	RMB'000
Consolidated net profit/equity attributable to equity holders of the Company under PRC GAAP	4,526,217	6,354,912	75,003,316	73,343,393
Impact of IFRS Accounting Standards adjustments:				
Difference on revaluation of certain assets upon the reorganisation in 2009 (Note (i))	15,585	15,585	(285,556)	(301,141)
Special reserve (Note (ii))	108,892	67,540	–	–
Others	(12,759)	(3,294)	(20,406)	(3,353)
Consolidated net profit/equity attributable to equity holders of the Company under IFRS Accounting Standards	4,637,935	6,434,743	74,697,354	73,038,889

Notes:

- (i) On 9 July 2009, the Company was restructured and incorporated as a joint stock limited company. During the restructuring in 2009, a valuation was carried out for certain assets owned by the Company. In accordance with Accounting Standards for Business Enterprises – interpretation 1, valuation results were recognised by the Company in the financial statements prepared under PRC GAAP. Under IFRS Accounting Standards, restructuring was treated as business combination under common control. As a result, valuation results were not recognised and those assets were accounted under historical cost convention in the financial statements prepared under IFRS Accounting Standards. In addition, the difference on certain assets recognition had impact on depreciation and amortisation expenses in subsequent periods, resulting differences in reserve and net profit in the circumstances of asset disposal or impairment provided. The above-mentioned differences were eliminated gradually through depreciation and amortisation expenses provided and assets disposal.

FINANCIAL STATEMENTS RECONCILIATION BETWEEN PRC GAAP AND IFRS ACCOUNTING STANDARDS

FOR THE YEAR ENDED 31 DECEMBER 2025
(Expressed in thousands of Renminbi unless otherwise stated)

Notes: (Continued)

- (ii) According to the “Management Measures for the Extraction and Use of Enterprise Safety Production Expenses” issued by the Ministry of Finance on November 11, 2022 (Caizi [2022] No.136), the Group has been calculating and withdrawing safety production expenditures since December 2022. According to the “Interpretation of Enterprise Accounting Standards No.3” issued by the Ministry of Finance on June 11, 2009, the safety production expenditures calculated and withdrawn in accordance with regulations are included in the main business cost, while recognizing “special reserves”. Under IFRS Accounting Standards, safety production expenditures are recognized as costs when they are actually incurred. The safety production expenditures that have been withdrawn but have not been used form a special reserve that has been withdrawn according to legal requirements and has specific purposes. They are extracted from Retained earnings and listed in the “special reserve”.

GLOSSARY OF TERMS

Longyuan Power/our Company/ the Company/we	China Longyuan Power Group Corporation Limited* (龍源電力集團股份有限公司)
Group	China Longyuan Power Group Corporation Limited* and its subsidiaries
Reporting Period	from 1 January 2025 to 31 December 2025
Board/Board of Directors	the board of directors of the Company
consolidated installed capacity	the aggregate installed capacity of our project companies that we fully consolidated in the consolidated financial statements only. It is calculated by including 100% of the installed capacity of our project companies that we fully consolidate in our consolidated financial statements and are deemed as our subsidiaries. The consolidated installed capacity does not include the capacity of our associated companies
average utilisation hours	the consolidated power generation in a specified period (in MWh or GWh) divided by the average consolidated installed capacity in the same period (in MW or GW)
average load factor of generating equipment	average utilisation hours divided by calendar hours
electricity sales	the actual amount of electricity sold by a power plant in a particular period of time, which is equivalent to gross power generation less comprehensive auxiliary electricity
GW	unit of energy, 1 GW = 1,000 MW
GWh	unit of energy, one gigawatt-hour is the amount of energy that would be produced by a generator producing one gigawatt for one hour

GLOSSARY OF TERMS

MW	unit of energy, 1 MW = 1,000 kW
MWh	unit of energy, one megawatt-hour is the amount of energy that would be produced by a generator producing one megawatt for one hour
kW	unit of energy, 1 kW = 1,000 watts
kWh	unit of energy, one kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
ESG	environmental, social, and corporate governance
CHN Energy	China Energy Investment Corporation Limited
Pingzhuang Coal Group	Inner Mongolia Pingzhuang Coal (Group) Co., Ltd.
CHN Energy Liaoning Company	CHN Energy Group Liaoning Electric Power Co., Ltd
Pingzhuang Energy	Inner Mongolia Pingzhuang Energy Co., Ltd. (內蒙古平莊能源股份有限公司)
SZSE	The Shenzhen Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Latest Practicable Date	31 March 2026, being the latest practicable date prior to the printing of this report for the purpose of ascertaining certain information contained herein

GLOSSARY OF TERMS

three teams	excellent experts, great craftsmen and young talents
1+1+4+N	Company headquarters + National Energy Wind Power Operation Technology Research and Development (Experimental) + 4 technology companies + affiliated units
replacing small-capacity units with large-capacity units	to replace the original small-capacity wind turbine units with mainstream models in the industry with large installed capacity of a single unit and advanced technology to maximize the use of land and wind power resources in old wind farms
“164” digital transformation and upgrading plan	“1” refers to the goal of building a world-class leading enterprise in new energy digital technology. “6” refers to six key tasks, namely “New Energy Intelligent Large Model”, “New Energy Cloud Edge Computing Center”, “Collaborative Optimization Strategy for Electricity Trading Driven by Meteorological and Power Prediction”, “New Energy Intelligent Decision Support System”, “New Energy Material Supply Chain System”, and “New Energy Navigation Management”. “4” refers to achieving, through a 3-year deepening upgrade, the national largest new energy digital platform data scale, the best data quality level in the entire industry, the widest data open sharing ecosystem in the industry, and the deepest empowerment of AI applications in the industry
dual-driven innovation mechanism	deepening the “1+1+4+N” independent R&D-driven system for scientific and technological innovation internally, and building a multi-party collaborative and efficient innovation-driven system externally
three lines of defense	hierarchical safety risk control, hidden hazard investigation and rectification as well as emergency response and rescue

GLOSSARY OF TERMS

Document No. 136	In January 2025, the National Development and Reform Commission and the National Energy Administration jointly issued the Notice on Deepening the Market-oriented New Energy Feed-in Tariffs Reform and Promoting the 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)》, referred to as Document No. 136
Centralized bidding	the centralized bidding conduct of multiple registered centralized new energy power generation enterprises (excluding distributed, “shagehuang” large-scale bases and other projects) participating in the electricity energy market transactions at the same fixed venue.
three ones	organising a weekly safety system briefing, a monthly company-wide safety day event, and a quarterly company-wide safety network meeting
three rectifications	comprehensive rectification of the safety and civilised production and operation environment, comprehensive rectification of on-site equipment-related violations, and comprehensive rectification of on-site habitual violations
three stages	entry stage, process stage, and assessment stage
five demonstrations	the demonstration of integrated development of “shagehuang” bases, the demonstration of coordinated ecological restoration through photovoltaic sand control, the demonstration of active support-type multi-energy complementary systems, the demonstration of leadership in intelligent and smart technological innovation, and the demonstration of green and low-carbon development empowered by Party building.
six excellences	make effort to create “six excellences” projects in safety, environmental protection, quality, cost, schedule, and integrity

GLOSSARY OF TERMS

two highs and three friendlies	high power generation capacity, high conversion rate, environmental friendliness, market friendliness and grid friendliness.
two charts and four tables	one project management chart, project construction milestone chart, and the tables for pre-construction work, procurement and equipment collection, construction progress, and quality inspection and grid connection procedures progress.
five concentrations	concentrating on ensuring security and supply, and earnestly shouldering the primary responsibility of energy security; concentrating on improving quality and efficiency, and comprehensively enhancing value creation capabilities; concentrating on transformation and development, and striving to increase the momentum for enterprise development; concentrating on scientific and technological innovation, and actively fostering new quality productive forces; concentrating on management improvement, and striving to enhance the capability of governing and vitalizing the enterprise.
three stabilities, four improvements and five leaderships	“three stabilities”: first, stable development foundation; second, stable operating efficiency; third, stable safety and environmental protection. “four improvements”: first, improvement in quality and scale; second, improvement in innovation capability; third, improvement in management efficiency; fourth, improvement in value creation. “five leaderships”: first, leadership in banner-led development; second, leadership in platform and ecosystem development; third, leadership in sustainable growth quality; fourth, leadership as a green energy benchmark; fifth, leadership in contribution to global energy governance.

GLOSSARY OF TERMS

124+N	the “124+N” whole-life-cycle cost control system for new energy projects, which is established with “one overall requirement” as the guidance, “starting from two sectors” as the path, “four key control aspects” as the support and “N control measures” as the specific initiatives.
“3343” framework	the benchmarking targets cover three levels: the Company, its affiliated power generation enterprises and its affiliated stations; benchmarking is conducted from three dimensions: benchmarking against the corresponding period data of domestic and overseas listed new energy companies and benchmark enterprises in the new energy industry inside and outside CHN Energy, benchmarking against the corresponding period data of the Company’s affiliated new energy power generation enterprises and stations, and benchmarking against the Company’s historical data; benchmarking is divided into four cycles: monthly, quarterly, semi-annual and annual; three reference lists of benchmarking indicators are formulated for the Company’s headquarters, its affiliated power generation enterprises and its affiliated stations.

CORPORATE INFORMATION

THE COMPANY' S OFFICIAL NAME BOARD OF DIRECTORS

龍源電力集團股份有限公司

Executive Directors

Mr. Gong Yufei (*Chairman of the Board*)

Mr. Wang Liqiang (*President*)

THE COMPANY' S NAME IN ENGLISH

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Limited*

Non-executive Directors

Ms. Wang Xuelian

Mr. Zhang Tong

Mr. Wang Yong

Mr. Liu Jintao (*Employee Director*)

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Mr. Gao Debu

Ms. Zhao Feng

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Mr. Gong Yufei

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Ms. Chan Sau Ling

COMPANY SECRETARY

Ms. Chan Sau Ling

* For identification purpose only

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