Stock code: 000037, 200037 Stock abbreviation: Shenzhen Nanshan Power A, Shenzhen Nanshan Power B Announcement No.: 2026-021

Shenzhen Nanshan Power Co., Ltd.

2025 Annual Report

April 2026

2025 Annual Report

I. Important, contents and definitions

The Board of Directors, directors and senior officers of the Company warrant that the contents of this annual report are true, accurate and complete, and that there are no false records, misleading statements or material omissions. They will bear joint and several liability for such matters.

The Company's Principal and Accounting Director KONG Guoliang, Chief Finance Officer ZHANG Xiaoyin, and Chief Accountant (accounting officer) LIN Xiaojia declare that they guarantee the authenticity, accuracy and completeness of the financial report in this annual report.

All directors attended the meeting of Board of Directors at which the report was reviewed.

The Company's profit distribution plan reviewed and approved by the Board of Directors this time is as follows: based on 602,762,596 shares, a cash dividend of RMB 0.32 (tax included) will be distributed to all shareholders for every 10 shares, and 0 shares (tax included) will be given as bonus shares. The capital reserve will not be converted into share capital.

The annual report is prepared in Chinese and English respectively. If there is any ambiguity in the understanding of the two texts, the Chinese text shall prevail. Investors are requested to read the full text of the annual report carefully.

Forward-looking statements such as future development strategies and business plans involved in this annual report (if any) do not constitute a

substantial commitment by the Company to investors. Investors and related persons are requested to maintain sufficient risk awareness, understand the differences between plans, forecasts and commitments, and pay attention to investment risks.

Table of Contents

List of documents for inspection

I. Financial statements signed and sealed by the Company's Principal, Accounting Director, Chief Finance Officer, and Chief Accountant (accounting officer).

II. The original audit report bearing the seal of the accounting firm and the signature and seal of the certified public accountant.

III. The originals of all the Company's documents and announcements that have been publicly disclosed on designated media during the reporting period.

IV. Place for inspection: Office of the Board of Directors.

Interpretations

Item	Refers to	Content
Company, the Company, Shenzhen Nanshan Power, the listed company	Refers to	Shenzhen Nanshan Power Co., Ltd.
CSRC	Refers to	China Securities Regulatory Commission
Shenzhen SASAC	Refers to	State-owned Assets Regulatory Commission of Shenzhen Municipal People's Government
SEC	Refers to	Shenzhen Energy Corporation
Shenzhen Nanshan Power Zhongshan Company	Refers to	Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.
Shenzhen Nanshan Power Engineering Company	Refers to	Shenzhen Nanshan Power Gas Turbine Engineering Technology Co., Ltd.
Shenzhen Nanshan Power Environmental Protection Company	Refers to	Shenzhen Nanshan Power Environmental Protection Co., Ltd.
Shenzhen Nanshan Power Xiwan Company	Refers to	Shenzhen Nanshan Power Xiwan Energy (Zhongshan) Co., Ltd.
Energy Technology Company	Refers to	Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. (formerly known as "Sichuan Ruinan Electric Power Construction Engineering Co., Ltd.")
Server Company	Refers to	Shenzhen Server Energy Co., Ltd.
New Power Company	Refers to	Shenzhen New Power Industrial Co., Ltd.
Nanshan Power Plant	Refers to	Nanshan Power Plant of Shenzhen Nanshan Power Co., Ltd.
Zhongshan Nanlang Power Plant	Refers to	Zhongshan Nanlang Power Plant of Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.
Shenzhen United Property and Equity Exchange	Refers to	Shenzhen United Property and Equity Exchange
Zhuozhi Fund	Refers to	Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership)
Yuanzhi Ruixin Information Technology Fund	Refers to	Shenzhen Yuanzhi Ruixin New Generation Information Technology Private Equity Investment Fund Partnership (Limited Partnership)
New-type Energy Storage Industry Investment Fund	Refers to	Shenzhen New-type Energy Storage Industry Equity Fund Partnership (Limited Partnership)
Company Law	Refers to	Company Law of the People's Republic of China
Securities Law	Refers to	Securities Law of the People's Republic of China
Rules Governing the Listing of Stocks	Refers to	Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange
Articles of Association	Refers to	Articles of Association of Shenzhen Nanshan Power Co., Ltd.
RMB, RMB 10,000, RMB 100,000,000	Refers to	Except for the specially described monetary units, the remaining ones are RMB, RMB 10,000, and RMB 100,000,000
Reporting period	Refers to	January 1, 2025 to December 31, 2025

II. Company Profile and Major Financial Indicators

1. Company information

Stock abbreviation	Shenzhen Nanshan Power A, Shenzhen Nanshan Power B	Stock code	000037, 200037
Stock exchange for listing	Shenzhen Stock Exchange		
Name in Chinese	深圳南山热电股份有限公司		
Chinese abbreviation (If any)	深南电		
Foreign name of the Company (if any)	Shenzhen Nanshan Power Co., Ltd.		
Legal representative	KONG Guoliang		
Registered address	No. 2097 Yueliangwan Avenue, Nanshan District, Shenzhen City, Guangdong Province		
Postal code of the Registered Address	518054		
Historical change of the company's registered address	None		
Office Address	16/F and 17/F, Hantang Tower, Overseas Chinese Town, Nanshan District, Shenzhen City, Guangdong Province		
Postal code of the office address	518053		
Website	http://www.nsrd.com.cn		
E-mail	public@nspower.com.cn; investor@nspower.com.cn		

2. Contact and contact information

	Secretary to the Board of Directors	Securities affairs representative
Name	ZOU Yi	LU Yindi
Contact address	16/F and 17/F, Hantang Tower, Overseas Chinese Town, Nanshan District, Shenzhen City, Guangdong Province	16/F and 17/F, Hantang Tower, Overseas Chinese Town, Nanshan District, Shenzhen City, Guangdong Province
Tel	0755-26003611	0755-26003611
Fax	0755-26003684	0755-26003684
E-mail	investor@nspower.com.cn	investor@nspower.com.cn

3. Information disclosure and preparation location

Website of the stock exchange for publishing the annual report of the Company	Shenzhen Stock Exchange: http://www.szse.cn/
Media and website for publishing the annual report of the Company	Securities Times: http://www.stcn.com/ Cninfo: http://www.cninfo.com.cn/
Storage location of annual reports	Office of the Board of Directors, 17/F, Hantang Tower, Overseas Chinese Town, Nanshan District, Shenzhen City, Guangdong Province

4. Changes in registration

Unified social credit code	91440300618815121H
Changes in primary business since the listing of the Company (if any)	No change
Previous changes of controlling shareholder (if any)	No controlling shareholder

5. Other relevant information

CPAs engaged

Name of the CPAs	ShineWing Certified Public Accountants (Special General Partnership)
Office address:	8/F, Block A, Fuhua Mansion, No. 8 Chaoyangmen North Street, Dongcheng District, Beijing
Names of the Certified Public Accountants as the signatories	LI Wenqian, ZHANG Zijian

The sponsor performing persistent supervision duties engaged by the Company in the reporting period.

□Applicable ☑Not applicable

The financial advisor performing persistent supervision duties engaged by the Company in the reporting period

□Applicable ☑Not applicable

6. Key accounting data and financial indicators

May the Company make retroactive adjustment or restatement of the accounting data of the previous years

☐Yes☑ No

	2025	2024	Changed over last year	2023
Operating income (RMB)	401,681,583.10	442,971,955.85	-9.32%	589,780,190.71
Net profit attributable to the shareholders of the listed company (RMB)	161,038,200.40	21,908,828.57	635.04%	4,158,797.10
Net profit attributable to the shareholders of the listed company after deducting non-recurring gain/loss (RMB)	-80,894,749.49	-87,508,091.57	7.56%	-70,789,007.91
Net cash flows from operating activities (RMB)	-16,801,521.85	-37,635,766.05	55.36%	-100,371,976.92
Basic earning per share (RMB/Share)	0.2672	0.0363	636.09%	0.0069
Diluted gains per share (RMB/Share)	0.2672	0.0363	636.09%	0.0069
Weighted average rate of return on net assets	10.28%	1.49%	Up 8.79%	0.29%
	End of 2025	End of 2024	Changed over last year	End of 2023
Total assets (RMB)	2,313,750,813.45	2,012,736,635.59	14.96%	2,049,365,388.69
Net assets attributable to shareholders of the listed	1,677,559,728.27	1,485,380,575.08	12.94%	1,459,288,691.94

company (RMB)				

The lower of the company's net profit before and after the deduction of non-recurring gains and losses in the last three fiscal years is negative, and the auditor's report of the previous year shows that the Company's going concern ability is uncertain.

□Yes☑ No

During the reporting period, the lowest of the Company's audited total profit, net profit, and net profit after deducting non-recurring gains and losses was negative

☑Yes□ No

Item	2025	2024	Remark
Operating income (RMB)	401,681,583.10	442,971,955.85	Mainly income from power generation and sales and integrated energy services.
Other business income	11,840,280.14	5,642,037.47	Business revenue not related to the main business
Operating income deduction amount (RMB)	11,840,280.14	5,642,037.47	Mainly income from leasing of self-owned properties, property leasing and management services, and disposal of inventories.
Operating income after deduction (RMB)	389,841,302.96	437,329,918.38	Operating income after deducting income from leasing of self-owned properties, property leasing and management services, and disposal of inventories.

7. Differences in accounting data under domestic and foreign accounting standards

(1) Differences in net profit and net assets in the financial reports disclosed in accordance with the international accounting standards and the Chinese accounting standards

□Applicable ☑Not applicable

During the reporting period of the Company, there was no difference in net profits and net assets in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards

(2) Differences in net profit and net assets in financial reports disclosed in accordance with both the international accounting standards and Chinese accounting standards

□Applicable ☑Not applicable

During the reporting period of the Company, there was no difference in net profits and net assets in financial reports disclosed in accordance with the international accounting standards and Chinese accounting standards.

8. Main Financial Index by quarters

Unit: RMB

	Q1	Q2	Q3	Q4
Operating income	58,411,466.37	107,978,487.88	112,542,562.16	122,749,066.69
Net profit attributable to the shareholders of the listed company	-12,305,181.65	-9,434,327.99	1,796,231.44	180,981,478.60

Net profit attributable to the shareholders of the listed company after deducting non-recurring gain/loss	-15,484,838.12	-12,842,179.23	779,925.20	-53,347,657.34
Net cash flow from operating activities	-29,375,286.18	-32,878,479.33	12,587,586.30	32,864,657.36

Whether significant variances exist between the above financial index or the index with its sum and the financial index of the quarterly report as well as semi-annual report index disclosed by the Company.

□Yes No☑

9. Non-recurring profit or loss and amounts

☑Applicable □Not applicable

Unit: RMB

Item	Amount in 2025	Amount in 2024	Amount in 2023	Description
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	284,413,055.16	163,881,112.16	1,878,391.11	Mainly due to the completion of the land reservation and transfer of Parcel B by the subsidiary Shenzhen Nanshan Power Zhongshan Company in the current year, with the corresponding recognition of gains or losses on asset disposal.
Government grants included in the current profit or loss (except for those that are closely related to the Company's normal business operations, comply with national policies and regulations, are enjoyed according to determined standards, and have a sustained impact on the Company's profit or loss)	8,477,550.00	486,069.90	44,431,212.00	Mainly due to the government grants related to income received by the Company during the reporting period.
Profit or loss from changes in fair value of financial assets and liabilities held by non-financial enterprises and profit or loss from the disposal of financial assets and financial liabilities, except for effective hedging operations related to the Company's normal business operations	10,600,665.22	11,286,239.10	18,538,064.54	Mainly because the Company strengthened its refined fund management to improve the efficiency of fund utilization, and obtained relevant investment income from large-denomination certificates of deposit, structured deposits, and money market funds.
Reversal of the account receivable depreciation reserves subject to separate impairment test		0.00	1,235,154.68	

Income from the cost of investments in acquiring subsidiaries, associates, and joint ventures being less than the fair value of the identifiable net assets of the investee at the time of acquisition	579,165.68			Mainly due to the income generated as the Company focused on strengthening and supplementing the chain of its integrated energy services business, and the cost of investment in acquiring a subsidiary, Energy Technology Company, was less than the fair value of its identifiable net assets.
Other non-operating income and expenditures other than the above	-1,738,091.28	775,495.19	11,628,630.83	Mainly due to the Company reaching a settlement with relevant parties regarding historical business disputes and making payments accordingly during the current period.
Less: Influenced amount of income tax	649,258.60	9,140,402.85	0.00	
Influenced amount of minor shareholders' equity (after tax)	59,750,136.29	57,871,593.36	2,763,648.15	
Total	241,932,949.89	109,416,920.14	74,947,805.01	--

Details of other profit and loss items that meet the non-recurring profit and loss definition

□Applicable ☑Not applicable

The Company had no specific profit or loss items that meet the definition of non-recurring profit or loss.

Notes on the definition of the non-recurring profit or loss items listed in the "Interpretive Announcement No. 1 on Information Disclosure of Companies Issuing Securities to the Public - Non-recurring Profit or Loss" as recurring profit or loss items

□Applicable ☑Not applicable

The Company had no circumstances of definition of the non-recurring profit or loss items listed in the "Interpretive Announcement No. 1 on Information Disclosure of Companies Issuing Securities to the Public - Non-recurring Profit or Loss" as recurring profit or loss items.

III. Management's Discussion and Analysis

1. Main Business Engaged in by the Company During the Reporting Period

The Company shall comply with the disclosure requirements for the power supply industry as set out in the “Guidelines for Self-Regulation of Listed Companies of Shenzhen Stock Exchange No. 3 - Industry Information Disclosure”

The Company's main business is power generation and sales and integrated energy services. At the end of the reporting period, the Company's Nanshan Power Plant had three sets of 9E gas-steam combined cycle generating units with a total installed capacity of 540,000 KW The power plant, located in the power load center of the Qianhai Area of China (Guangdong) Pilot Free Trade Zone in Shenzhen, serves as a peak-shaving power source for the region. The two sets of 9E gas-steam combined cycle generating units at the Zhongshan Nanlang Power Plant have been shut down and withdrawn from dispatch operations, and the power generation unit equipment and related assets were successfully listed for transfer in March 2025. During the reporting period, Nanshan Power Plant actively fulfilled its responsibility to ensure power supply, firmly built a safety defense line, scientifically coordinated gas and power matching, and dynamically adjusted its power marketing and fuel procurement strategies, completing an on-grid electricity volume of 282 million kWh and a contracted electricity volume for settlement of 480 million kWh. Its subsidiary, Shenzhen Nanshan Power Environmental Protection Company, made every effort to expand its electricity sales business, acting as an agent for a total user electricity volume of 40.76 million kWh. The Zhongshan Independent Energy Storage Power Station (Phase I) project of Shenzhen Nanshan Power Xiwan Company was officially put into commercial operation in June 2025, with cumulative charging and discharging volumes of 82.1066 million kWh and 72.6871 million kWh respectively (including the discharging volume during commissioning in May), and the annual cumulative frequency regulation mileage of 4,614,674 MW.

During the reporting period, the Company focused on the business development and market expansion of its subsidiaries, made every effort to build an integrated platform of "investment, construction, operation, management, and maintenance", and continued to enhance its full-chain business synergy and value creation capabilities: Shenzhen Nanshan Power Engineering Company, leveraging its years of technical expertise and accumulated cooperation resources in the field of gas turbine power station engineering and construction, concentrated on tackling engineering and technical service business in the gas turbine field. Relying on its specialized and refined technical capabilities, it successfully signed multiple contracts to provide high-quality technical services to clients. Shenzhen Nanshan Power Environmental Protection Company delved into the new energy operation and maintenance service field, and comprehensively developed integrated energy service projects such as operation and maintenance, and solar-storage-charging, forming a diversified integrated energy service portfolio. Energy Technology Company closely followed the Company's overall development strategy, and focused on the new energy engineering and construction field. With the goal of "rapid integration, efficient synergy, and precise breakthroughs", it leveraged its professional EPC advantages to cultivate the energy storage and photovoltaic fields, achieving rapid business implementation within half a year. Server Company actively expanded its business scope, and focused on the property leasing and management service business of SEC, significantly enhancing its market expansion capabilities, property management capabilities, and profitability. Shenzhen Nanshan Power Xiwan Company completed the Zhongshan Independent Energy Storage Power Station (Phase I) project with high quality and efficiency, and continued to strengthen its operation management capabilities.

Key production and operation information

Item	Reporting period	Same period last year
Total installed capacity (10,000 KW)	54	54
Installed capacity of newly commissioned units (10,000 KW)	0	0
Planned installed capacity of approved projects (10,000 KW)	0	0

Planned installed capacity of projects under construction (10,000 KW)	0	0
Power generation (100 million KWH)	2.84	5.12
On-grid electricity or electricity sales (100 million KWH)	2.82	5.10
Settlement electricity price (RMB/100 million kWh, tax included)	0.824	0.817
Average electricity consumption rate of power plants (%)	4.42%	3.85%
Utilization hours of power plants (hours)	517	933

The Company's electricity sales business

☑Applicable □Not applicable

Shenzhen Nanshan Power Environmental Protection Company, a subsidiary of the Company, was approved to conduct market-based electricity sales business in Guangdong Province in January 2024. During the reporting period, Shenzhen Nanshan Power Environmental Protection Company successively signed retail contracts with 13 users, including Shenzhen Guoneng Property Management Co., Ltd., Zijin Marine Engineering (Zhuhai) Co., Ltd., Shenzhen Yantian Port Cold Chain Investment Holding Co., Ltd., and PowerChina (Guangdong) Zhongkai Expressway Co., Ltd., with a total annual electricity volume represented of 40.76 million kWh.

Reasons for significant changes in relevant data

☑Applicable □Not applicable

With the continuous improvement of the capacity pricing mechanism in Guangdong Province, gas-fired power generation is accelerating its transformation toward playing dual roles as both a baseload power source and a system-regulating power source. During the reporting period, Nanshan Power Plant strictly followed the operating rules of the electricity market, closely tracked the trend of nodal electricity prices, aimed to maximize comprehensive income, continuously optimized the operating mode of its units and dynamically adjusted its clearing strategy in the spot market. Affected by the adjustments in the above market-oriented business strategies, the power generation and on-grid electricity of Nanshan Power Plant decreased accordingly in 2025, and the utilization hours of the power plant also declined.

Involving new energy power generation business

2. Industry Information of the Company During the Reporting Period

The Company shall comply with the disclosure requirements for the power supply industry as set out in the “Guidelines for Self-Regulation of Listed Companies of Shenzhen Stock Exchange No. 3 - Industry Information Disclosure”

In 2025, China's electricity consumption demand maintained steady growth, with the national total electricity consumption reaching 10.4 trillion kWh, up approximately 6% year on year. Although the growth rate slightly declined compared to 2024, it remained within a reasonable range. The steady increase in electricity consumption across all industries continued to demonstrate economic resilience and deepening of terminal energy electrification. Guided by the "carbon peaking and carbon neutrality" goals and driven by the accelerated energy transition, the power production structure achieved a historic leap, with significant results in green and low-carbon transformation. By the end of 2025, the full-caliber installed power generation capacity nationwide exceeded 3.89 billion kW, up 16.1% year on year, and the installed capacity of non-fossil energy power generation reached 2.40 billion kW, accounting for 61.7% of the total installed capacity, up 3.5% from the end of 2024, indicating that China's energy structure is entering a period of comprehensive acceleration in its clean transition. In terms of power source structure, the installed capacity of new energy power generation continued to lead, with installed capacity of wind and solar power generation achieving leapfrog growth. By the end of 2025, the installed capacity of new energy sources such as wind, solar, and biomass power further expanded. Among them, the installed capacity of solar power generation was 1.20 billion kW (up 35.4% year on year), and the installed capacity of wind power generation was 640 million kW (up 22.9% year on year). The total installed capacity of wind and solar power generation reached 1.84 billion kW, accounting for 47.3% of the total installed capacity. The scale of installed capacity of wind and solar power generation continued to surpass that of thermal power and maintained rapid growth, becoming the core supporting power source in the new power system. The growth rate of installed capacity of thermal power generation continued to slow down. Although coal power's share of total installed capacity dropped to about 33%, coal power played the role of a "ballast stone" in ensuring power supply, and undertook key functions in grid base load security, peak and frequency regulation, and emergency standby, providing important support for the safe and stable operation of the power system.

In 2025, China's new-type energy storage industry continued its high-speed growth trend, with more prominent market-oriented development characteristics. The annual newly commissioned installed capacity of new-type energy storage was 66.43 million kW / 189.48 million kWh. By the end of 2025, the cumulative installed capacity of completed and commissioned new-type energy storage projects nationwide reached 144.7 million kW / 351 million kWh, up about 85% year on year and 40 times from the end of the "13th Five-Year Plan" period. The installed capacity of new-type energy storage continued to surpass that of pumped storage, and the coordinated development of energy storage and new energy fully shifted from being policy-driven to being driven by endogenous market demand. With the large-scale development of new energy and energy storage, the integration of power generation, grid, load, and storage, as well as the multi-energy complementary utilization, are accelerating. Integrated energy services are thus facing broader development prospects. They play a vital role in consolidating energy resources, improving energy efficiency, reducing carbon emissions, and optimizing energy costs, thereby injecting new momentum into the construction of a new-type power system and high-quality energy development. Overall, in 2025, China made breakthrough progress in building a new power system with new energy as the mainstay, and accelerated the formation of the development pattern of the power industry towards being green, low-carbon, safe, and efficient.

3. Analysis on Core Competitiveness

In recent years, affected by the macroeconomic situation and common issues in the gas-fired power generation industry, the Company's main business of power production still faces difficulties and challenges. However, the core competitiveness formed over more than thirty years of operation and development, the strong support from the Company's major shareholders, and the innovative operation management initiatives taken by the Board of Directors and the management team of the Company have laid a solid foundation for the Company's sustainable operation and pursuit of transformational development. During the reporting period, the Company adhered to a prudent development philosophy, remained firm in its strategic beliefs, flexibly adjusted its business strategies, and meticulously optimized resource allocation, successfully overcoming a series of development challenges and further consolidating and enhancing its core competitiveness.

(1) A management culture of hard work and innovation. The Company has a group of operation management talents with innovative awareness and a spirit of hard work. By deepening human resources reform and building a performance-oriented assessment and incentive mechanism, the Company advocates and fosters a management culture of unity, hard work, innovation, and enterprise throughout the Company. At the same time, the Company attaches great importance to and vigorously promotes the construction of its policy, management, and compliance systems, and adheres to standardized management that is law-abiding, scientific, rigorous, efficient, and orderly. Through a management orientation that is process-based, refined, and standardized, the Company has laid a solid foundation for deeply tapping its internal potential and actively seeking external opportunities.

(2) Professional and enterprising technical talents. Having been deeply involved in the gas-fired power generation industry for over thirty years, the Company has leveraged its industry influence to attract and cultivate a group of professional technical experts and key talents with extensive practical experience in the construction and operation management of gas-fired power plants. Meanwhile,

to adapt to the electricity market reform in Guangdong Province, the Company has established a professional power marketing team, continuously optimized trading strategies and marketing models, and possesses mature capabilities for market-oriented electricity operations. In addition, Shenzhen Nanshan Power Engineering Company, with its outstanding technical strength, provides full-process professional services such as technical consulting, commissioning, and operational support for dozens of domestic and overseas gas-fired power stations. The Company has also undertaken training for technical personnel from dozens of power plants at home and abroad. With its high-quality training content and professional teaching team, it has become a well-known professional talent training base in the domestic gas-fired power industry, and established a good reputation and a professional brand image in the industry.

(3) Professional technical level that keeps pace with the times. In recent years, the Company has insisted on innovation-driven development and steadily promoted technological innovation. The Company holds multiple independent invention patents, utility model patents, and software copyrights, and has co-drafted one national standard, providing strong support for its high-quality development. During the reporting period, the Company applied to the China National Intellectual Property Administration for 6 utility model patents and 5 software copyrights, of which 2 utility model patents and 5 software copyrights were granted. The Company has obtained a total of 47 authorized patents (including 5 invention patents) and 13 software copyrights, which has greatly enhanced its brand image and industry competitiveness.

(4) Extensive experience in industrial exploration. The Company fully leverages its advantages to vigorously expand its integrated energy service business, and continuously accumulated experience in the construction and operation of new energy industries such as electrochemical energy storage, photovoltaics, and charging piles. Through the construction and operation of the energy storage black-start project, photovoltaic projects, and the Zhaochi industrial and commercial energy storage project, the construction and official operation of the Zhongshan independent energy storage power station, and the development of integrated solar-storage-charging projects, the Company has accumulated extensive experience in the construction, commissioning, operation and maintenance of new energy and energy storage projects, and has cultivated a group of professional technical talents. Coupled with the talent pool and technical advantages from the traditional power industry, the Company has secured ample technical and human resources to support its expansion into the integrated energy services sector, laying a solid foundation for this strategic move.

(5) Leading environmental protection standards. The Company's power generation units are all gas-fired, using natural gas as fuel. The CO_2 emissions in the flue gas are approximately 42% of those from coal-fired power plants, providing strong support for the national "carbon peaking and carbon neutrality" goals. The nitrogen oxide emissions from each of the Company's units are within 15mg/m^3, reaching the most advanced level in the world.

4. Main Business Analysis

(1) General

The year 2025 marks the final year of the national "14th Five-Year Plan" and is a crucial year for the Company to build on its past achievements and forge ahead into the future. Facing the dual challenges of accelerated energy transition and intensified market competition, the Company has anchored its strategic position as an integrated energy service provider, and steadily promoted the optimization of its business structure and the innovation of its development model. Throughout the year, with projects as the driver, the market as the guide, and services as the support, the Company has coordinated market expansion, project construction, and operation management. It has focused on core tracks such as gas turbine and new energy engineering services, electricity sales, and EPC general contracting, continuously deepened the layout of its integrated energy service business and constantly cultivated new business growth points. The effectiveness of the strategic transformation has steadily become apparent; core competitiveness has continued to strengthen; and the scale and benefits of the integrated energy service business have improved in tandem. This has made a prominent contribution to the Company's overall development, providing a substantial performance to conclude the "14th Five-Year Plan" successfully, while also laying a solid foundation for a high-quality start to the "15th Five-Year Plan". The main work carried out by the Company during the reporting period is as follows:

1) Anchoring development goals, with tangible results from strategic transformation. The Company fully accelerated its strategic transformation, continuously improved its business layout, actively built an integrated "investment, construction, operation, management, and maintenance" platform, and made every effort to create a diversified and intelligent integrated energy service system, thereby constantly strengthening its core competitive advantages. In terms of investment and M&A, focusing on the strategic direction of becoming an integrated energy service provider, the Company successfully acquired Sichuan Ruinan Electric Power Construction Engineering Co., Ltd., completing a key link in the "investment, construction, operation, management, and maintenance" chain and enhancing its power engineering construction capabilities. In terms of project expansion, Shenzhen Nanshan Power Engineering Company delved deep into the gas turbine engineering and technical services field, and steadily expanded into domestic and international markets. Leveraging the experience gained from the Golmud project, it successfully won the bid for the operation and maintenance service project of the 2×450MW gas turbine combined cycle power station in Koh Kong Province, Cambodia, achieving a significant breakthrough in the overseas market. Shenzhen Nanshan Power Environmental Protection Company comprehensively enhanced its market expansion capabilities, with focus on the new energy services track, actively developed and reserved high-quality projects in operation and maintenance, and solar-storage-charging, and created a diversified portfolio of integrated energy services, achieving continuous optimization of its business structure. In terms of engineering construction, it built the first large-scale grid-side independent energy storage project in Zhongshan City with high quality and efficiency—the Zhongshan Independent Energy Storage Power Station. This project was officially put into commercial operation in June 2025, with its performance indicators ranking among the top of independent energy storage power stations in Guangdong Province and exceeding the design standards of the feasibility study, becoming a benchmark for regional energy storage projects. Energy Technology Company won the bid for the EPC project of the 150MW/300MWh independent energy storage power station in Guzhen Town, Zhongshan, for RMB 223 million, highlighting its core competitive advantage in power engineering construction. In terms of management, operation, and maintenance, it continued to solidify the operation and maintenance management of the Zhaochi project, the Golmud project, and the Zhongshan independent energy storage project, optimized the standardized systems for engineering and project management processes, and formed a replicable operating mechanism and profit model, comprehensively improving the standardization and efficiency of full-cycle project management. Leveraging its high-quality operation and maintenance service experience from the Zhongshan independent energy storage project, Shenzhen Nanshan Power Environmental Protection Company successfully expanded into preventive testing and inspection services for vehicle-grid interconnection systems; by innovatively applying "energy storage + vehicle-grid interaction" technology, it provided backup power services for the energy storage power stations during the opening ceremony in Guangzhou and the closing ceremony in Shenzhen for the 15th National Games. This initiative created a high-reliability, green power supply case that received high recognition from the government and the power grid.

2) Deepening existing operations to solidify the fundamental business base. With the main focus on "Enhancing the quality of existing operations, prioritizing efficiency", the Company comprehensively deepened its existing operations. By systematically enhancing the operational quality and efficiency of its existing assets, the Company continuously strengthened its core business competitiveness, laying a solid foundation for steady development. In terms of enhancing the operational capabilities of existing assets, the Company comprehensively coordinated key aspects such as power production and operation, fuel supply, and cost control. Facing the deepening reform of the Guangdong power market, the Company actively seized the opportunities presented by the policy adjustments for capacity pricing and variable cost compensation in Guangdong Province. Under the premise of strictly controlling transaction risks, it has actively participated in market-based transactions such as spot electricity and ancillary services. At the same time, with the responsibility of ensuring power supply as the bottom line, the Company scientifically coordinated the matching of gas and electricity, and dynamically optimized its power marketing strategies and fuel procurement plans, achieving precise control of fuel costs and a steady increase in the marginal contribution of its power business. The annual on-grid electricity volume was 282 million kWh. Shenzhen Nanshan Power Environmental Protection Company actively expanded its value-added services, signing electricity sales contracts through multi-party negotiations and cooperation, with a total represented electricity volume of 40.76 million kWh. It also entered the green energy market, and fully participated in green electricity and green certificate trading. It signed its first green electricity agency contract to provide customers with an integrated solution of "electricity purchase + green certificate," accelerating

the Company's transformation into an integrated energy service provider. In terms of revitalizing existing assets, the Company made every effort to promote the listed transfer of the power generation unit equipment and related assets of Shenzhen Nanshan Power Zhongshan Company. During the reporting period, it received the full transfer price, installment interest, and value-added tax from Fujian Hengjing Investment Co., Ltd., totaling RMB 72.2533 million. Concurrently, it safely and steadily implemented the dismantling of the unit equipment and completed the land transfer of Plot B of Shenzhen Nanshan Power Zhongshan Company, achieving a seamless connection between asset disposal and land revitalization. Server Company focused on the property leasing service business, and deepened its synergistic cooperation with SEC. By optimizing leasing plans and improving property service quality, it achieved an overall occupancy rate of 100% for the entrusted properties, and increased rental income levels year-on-year, effectively tapping the economic value of existing assets.

3) Improving systems and processes to build a strong risk prevention and control barrier. With governance modernization at its core, the Company focused on system construction, process optimization, and compliance management, and strengthened its risk prevention system from multiple dimensions to effectively enhance governance efficiency and risk resistance. First, improving the corporate governance system to solidify the foundation for standardized operations. The Company strictly benchmarked against the latest laws, regulations, and regulatory policies, and actively built a dynamic and adaptive institutional management mechanism. Throughout the year, it completed the addition and revision of several core corporate governance rules and internal management systems, including the Articles of Association, the Rules of Procedure for the Shareholders' Meeting, and the Rules of Procedure for the Board of Directors, comprehensively covering all aspects of decision making, execution, and supervision. Concurrently, it promoted the reform of the Board of Supervisors, and optimized the allocation of supervisory functions to ensure that the governance structure and institutional system are aligned with regulatory requirements, thereby providing a solid institutional guarantee for the Company's standardized operations. Second, building a standardized process system to drive the upgrade of management efficiency. Taking process standardization as a key measure, the Company fully established a process management system covering its entire business chain. By sorting out 16 main processes, 101 functional processes, and 210 business operation processes, it formed a process network that is "horizontally extensive and vertically exhaustive", transformed excellent management experience into standardized operating norms, and promoted the formation of a management ecosystem that is "transferable, replicable, and value-adding". effectively improving operational efficiency and decision-making response speed. Third, deepening the construction of compliance and risk control to build a barrier for steady development. Focusing on building an integrated management system of "compliance + risk control + internal control," the Company solidified its compliance and risk control foundation. It completed the acceptance of its compliance management system, improved the regular compliance training and dissemination mechanism, and cultivated a company-wide awareness of compliance. It strengthened supervision and early warning, and with focus on key areas such as investment, construction, and cooperation, implemented rectifications from economic responsibility audits, conducted final accounts audits for key projects, and compliance checks on partners, to weave a tight risk prevention and control network. It emphasized risk assessment, and strengthened forward-looking analysis in market, legal, and financial areas in response to the risk characteristics of new businesses, to enhance its risk identification and response capabilities.

4) Innovating systems and mechanisms, with performance orientation to stimulate vitality. The Company anchored its high-quality development strategic goals, taking market-oriented reform as a breakthrough and institutional and mechanism innovation as a core driver. Through systematic changes, it stimulated the organization's internal motivation and operational vitality, comprehensively enhancing overall operational efficiency. First, deepening human resources reform to unleash the potential of the talent pool. The Company systematically promoted comprehensive reforms in the rank sequence, salary system, and performance assessment mechanism, simplified the salary structure, optimized the fixed-to-variable ratio, and established dual promotion channels for both management and professional technology, breaking the career development ceiling. It established an incentive orientation of "salary based on performance, rank based on ability," breaking down rigid barriers, and provided a stage for doers and rewards for contributors, stimulating employees' creativity. Second, optimizing the talent allocation mechanism to build a dynamic flow ecosystem. The Company established an internal talent flow mechanism, smoothed channels for cross-departmental and cross-level mobility, and promoted market-based talent circulation and cadre rotation, forming a virtuous ecosystem of "putting the right people in the right

positions and maximizing their potential," and effectively revitalizing existing human resources. Third, innovating diverse incentive models to activate value creation momentum. The Company innovated incentive models, promoted a shift in value distribution towards the creation end, and through a combination of differentiated incentives, stimulated the enthusiasm of all employees for entrepreneurship and business development, injecting strong momentum into business breakthroughs. Fourth, implementing differentiated management and control to enhance synergistic development efficiency. Closely aligning with the actual operating conditions and marketization level of invested and acquired enterprises, the Company scientifically designed management and control models to ensure their market-oriented vitality while meeting the requirements of standardized management, achieving efficient resource synergy. Fifth, strengthening financial support and empowerment to enhance value creation capabilities. The Company deepened the integration of business and finance, and tapped the potential of information systems through digitalization, to optimize accounting accuracy and report quality, and simplify business processes. It conducted special research on finance and taxation, aligned with policies to secure benefits, and enhanced capital efficiency and the value of financial services, providing solid financial guarantees and decision-making support for the implementation of the Company's strategy.

5) Consolidating safety responsibilities and building a new pattern of safety management. In 2025, the Company was in a critical development stage of expanding new business and cultivating new business formats. Facing potential risk points in new business and complex changes in the internal and external environment, the Company always adhered to the concept of safe development, improved its work safety assurance system, fully consolidated primary responsibilities, solidified the foundation of safety management, and strengthened supervision of safety management throughout the entire process. It made every effort to maintain a safe and stable production and operation order, and continuously maintained the "Five-Zero" safety goal, building a solid safety line of defense for the Company's steady development. First, improving the safety management system for new business. In light of the characteristics of new business, the Company improved the work safety responsibility system, clarifying safety responsibilities for each position and link. It systematically built a full-process safety management system covering technical services, equipment management, safety control, and emergency response, standardizing safety management processes and enhancing the professionalism and standardization of safety management. Second, strengthening safety control for projects under construction. Focusing on key projects such as the equipment dismantling project of the Zhongshan unit and the Zhongshan Independent Energy Storage Power Station, the Company closely monitored key areas, critical links, and weak points at construction sites, increased the frequency and intensity of safety inspections, refined control measures, and promptly identified and rectified hidden dangers, enhancing the safety risk prevention and control capabilities for projects under construction. Third, optimizing assessment and safety culture construction. The Company improved the safety management assessment and evaluation system, using assessments to compel the implementation of responsibilities. It solidly carried out activities such as the Year of Hidden Danger Investigation and Governance and the Work Safety Month, systematically organized emergency drills, strengthened the emergency response capabilities of all employees, cultivated a strong safety culture, and promoted the construction of a safety pattern with full participation, full-process control, and full coverage. Fourth, strengthening external risk prevention and control. The Company proactively assessed safety hazards brought by the external environment, scientifically formulated and strictly implemented safety risk prevention and control measures, ensuring the normal operation of the power generation equipment at Nanshan Power Plant and the safe and stable operation of the power grid, and making every effort to prevent safety accidents caused by external risks.

6) Adhering to the leadership of Party building to pool efforts for development. The Company adhered to leading high-quality development with high-quality Party building, and fully integrated the Party's leadership into its governance practices. It thoroughly studied and implemented the guiding principles of the 20th CPC National Congress and all plenary sessions of the 20th CPC Central Committee, conscientiously implemented the arrangements of the Fourth Plenary Session, and solidly carried out study and education on the spirit of the Central Committee's Eight-Point Regulation. It actively built a "1+2+3+N" Party building matrix, fully implemented a special action to improve the quality of Party building, focused on reducing the burden on grassroots levels, and promoted the deep integration and resonance of Party building with production and operation, providing a strong political guarantee for the Company's reform and development. First, deepening the Party's leadership and conduct improvement to solidify the foundation for development. Taking the study and education on the spirit of the Central Committee's Eight-Point Regulation as a key measure, the Company

simultaneously advanced special work to rectify formalism and bureaucratism. Through methods such as research, questionnaires, interviews, and the Chairman's direct-access mailbox, it comprehensively identified and rectified problems, and promoted the reduction of documents and meetings and the optimization of processes, significantly enhancing work efficiency and organizational effectiveness, and forging a strong consensus for development. Second, strengthening the Party's political building and ideological guidance to steer the direction of development. The Company always placed political building at the forefront, and strictly implemented the system of the Party Committee conducting preliminary research and discussion on major matters before decision-making, efficiently convening Party committee meetings, and strictly reviewing "Three Important and One Major" decision-making matters. It conscientiously implemented the "First Agenda" study and the theoretical study of the Party Committee's theoretical study central group. Through the mechanism of "extensive study, in-depth research, and solid implementation," it produced high-quality research reports, providing a scientific basis for the Company's development decisions. Third, promoting the deep integration of Party building and business operations to activate development momentum. The Company actively organized a series of "Party Building+" activities, and strengthened exchanges and cooperation with fellow units, business partners, and upstream and downstream entities in the industrial chain to promote technological innovation and management improvement. At the same time, through characteristic activities such as "Youth Study" and "Nanshan Power Plant Open Day", the Company gathered the strength for progress and cultivated its corporate culture, injecting spiritual motivation and cultural support into its high-quality development.

In 2025, the Company achieved an operating income of RMB 401,681,600, and a net profit attributable to shareholders of the listed company of RMB 161,038,200. The Company's operating performance continued to improve, with profitability steadily increasing, and basic earnings per share of RMB 0.2672.

(2) Income and Cost

1) Component of business income

Unit: RMB

	2025		2024		Year-on-year increase or decrease
	Amount	Proportion in operating income	Amount	Proportion in operating income	
Total operating income	401,681,583.10	100%	442,971,955.85	100%	-9.32%
By industry					
Power industry	389,841,302.96	97.05%	437,329,918.38	98.73%	-10.86%
Others	11,840,280.14	2.95%	5,642,037.47	1.27%	109.86%
Total	401,681,583.10	100.00%	442,971,955.85	100.00%	-9.32%
By product					
Power generation and sales	279,495,457.00	69.58%	419,930,286.71	94.80%	-33.44%
Integrated energy services	136,569,934.67	34.00%	39,382,694.07	8.89%	246.78%
Others	12,488,919.77	3.11%	5,768,308.02	1.30%	116.51%
Consolidation elimination	-26,872,728.34	-6.69%	-22,109,332.95	-4.99%	-21.54%
Total	401,681,583.10	100.00%	442,971,955.85	100.00%	-9.32%
By region					
Domestic	401,681,583.10	100.00%	442,971,955.85	100.00%	-9.32%
Total	401,681,583.10	100.00%	442,971,955.85	100.00%	-9.32%
By sale model					
Direct sales	401,681,583.10	100.00%	442,971,955.85	100.00%	-9.32%
Total	401,681,583.10	100.00%	442,971,955.85	100.00%	-9.32%

2) Industry, product, region and sales model accounting for more than 10% of the Company's operating income or operating profit

☑Applicable □Not applicable

The Company shall comply with the disclosure requirements for the power supply industry as set out in the "Guidelines for Self-Regulation of Listed Companies of Shenzhen Stock Exchange No. 3 - Industry Information Disclosure"

Unit: RMB

	Operating revenue	Operating costs	Gross margin	Year-on-year increase or decrease in operating revenue	Year-on-year increase or decrease in operating costs	Year-on-year increase or decrease in gross margin
By industry						
Power industry	389,841,302.96	309,891,815.62	20.51%	-10.86%	-25.19%	15.22%
Others	11,840,280.14	5,347,883.32	54.83%	109.86%	336.97%	-23.48%
Total	401,681,583.10	315,239,698.94	21.52%	-9.32%	-24.12%	15.31%
By product						
Power generation and sales	279,495,457.00	252,124,628.83	9.79%	-33.44%	-37.78%	6.28%
Integrated energy services	136,569,934.67	82,619,474.31	39.50%	246.78%	189.58%	11.95%
Others	12,488,919.77	5,392,870.61	56.82%	116.51%	340.65%	-21.96%
Consolidation elimination	-26,872,728.34	-24,897,274.81		-21.54%	-27.67%	
Total	401,681,583.10	315,239,698.94	21.52%	-9.32%	-24.12%	15.31%
By region						
Domestic	401,681,583.10	315,239,698.94	21.52%	-9.32%	-24.12%	15.31%
Total	401,681,583.10	315,239,698.94	21.52%	-9.32%	-24.12%	15.31%
By sale model						
Direct sales	401,681,583.10	315,239,698.94	21.52%	-9.32%	-24.12%	15.31%
Total	401,681,583.10	315,239,698.94	21.52%	-9.32%	-24.12%	15.31%

Reasons for significant changes in relevant financial indicators

☑Applicable □Not applicable

1) During the reporting period, income from power generation and sales decreased year-on-year, mainly because the Company continuously optimized the spot market trading strategy for electricity from Nanshan Power Plant, closely tracked the trend of nodal electricity prices in the spot market, and with the goal of maximizing the comprehensive income from its power business, dynamically adjusted its spot clearing strategy, resulting in reduced actual power generation and a year-on-year decrease in income from power generation and sales.

2) During the reporting period, income from integrated energy services increased year-on-year, mainly due to the continuous advancement and significant achievements of the Company's strategic transformation, leading to the rapid development of the integrated energy services business. Among them, the independent energy storage project of Shenzhen Nanshan Power Xiwan Company was officially put into commercial operation and achieved profitability, driving a substantial increase in the income and marginal contribution of the integrated energy services business, which has become an important growth engine for the Company.

3) During the reporting period, other business income increased year-on-year, mainly because the subsidiary Server Company focused on the property leasing and management service business of SEC, and its market expansion, operational management, and profitability continued to improve, leading to a year-on-year increase in income from property leasing and management services.

3) Whether the Company's physical sales income is greater than the income from labor services

☑Yes□ No

Industry category	Item	Unit	2025	2024	YoY increase/decrease
Power industry	Sales volume	100 million KWH	2.82	5.10	-44.71%
	Production	100 million KWH	2.84	5.12	-44.53%
	Inventory	100 million KWH	0.00	0.00	0.00%

Explanation for a year-on –year change of over 30%

☑Applicable □Not applicable

During the reporting period, the sales and production volume of the power generation and sales business decreased year-on-year, mainly due to the phased cost pressure faced by the Company's power generation business in recent years, influenced by multiple external factors such as rising natural gas prices. To actively respond to market changes, control operating costs, and ensure comprehensive business income, the Company continuously optimized the spot market trading strategy for electricity from Nanshan Power Plant, accurately grasped nodal electricity prices, and, with the goal of maximizing the comprehensive income from the power business, dynamically adjusted its spot clearing strategy, resulting in reduced actual power generation and a year-on-year decrease in the sales and production volume of the power generation and sales business.

4) Performance of major sales contracts and major procurement contracts signed by the Company as of the reporting period

□Applicable ☑Not applicable

5) Composition of operating costs

Industry category

Unit: RMB

Industry category	Item	2025		2024		Year-on-year increase or decrease
		Amount	Proportion in total operating costs	Amount	Proportion in total operating costs	
Power industry	Fuel	185,180,604.72	58.74%	334,421,830.98	80.50%	-44.63%
Power industry	Employee remuneration	25,373,240.69	8.05%	24,415,894.99	5.88%	3.92%
Power industry	Manufacturing expenses	58,722,420.92	18.63%	41,386,147.69	9.96%	41.89%
Power industry	Project subcontracting	35,020,350.62	11.11%	11,628,150.97	2.80%	201.17%
Power industry	Project operation and travel expenses	5,595,198.67	1.77%	2,370,857.36	0.57%	136.00%
Other non-main business	Others	5,347,883.32	1.70%	1,223,850.40	0.29%	336.97%
Total		315,239,698.94	100.00%	415,446,732.39	100.00%	-24.12%

6) Whether there was any change in the consolidation scope during the reporting period

☑Yes□ No

1. On December 16, 2024, the Company signed a Share Transfer Agreement with Zhuozhi Fund to acquire 5.6% shares in Sunpower Tech (Jiangsu) Group Co., Ltd., and transferred the acquired shares to its wholly-owned subsidiary, New Power Company. In June 2025, Zhuozhi Fund completed its liquidation and business deregistration procedures. In accordance with the Accounting Standards for Business Enterprises, from the date of Zhuozhi Fund's business deregistration, the entity is no longer included in the scope of the Company's consolidated financial statements.

2. As approved by the eighth ad hoc meeting of the tenth Board of Directors and the fifth ad hoc meeting of the tenth Board of Supervisors held in May 2025, the Company acquired 75% equity (corresponding to a registered capital of RMB 56.25 million) in Sichuan Ruinan Electric Power Construction Engineering Co., Ltd. (hereinafter referred to as "Sichuan Ruinan") from Shenzhen Clou Electronics Co., Ltd. for a consideration of RMB 18,337,500. The equity transfer price was paid by assuming and repaying the debt of RMB 18,337,500 owed by Shenzhen Clou Electronics Co., Ltd. to Sichuan Ruinan. In July 2025, Sichuan Ruinan was renamed Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. and was included in the scope of the Company's consolidated financial statements.

According to the provisions of Paragraph 6.1 of Article 6 of the Equity Transfer Agreement, and in conjunction with the Special Audit Report on the Operating Results of the 75% Equity Transaction Project of Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. during the Transition Period (ZTZ Zi [2025] No. 441C019665) issued by Grant Thornton China (Special General Partnership) Shenzhen Branch, which was jointly recognized by the Company and Shenzhen Clou Electronics Co., Ltd., Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. incurred a loss of RMB 2,396,286.64 from the base date to the closing date. Accordingly, Shenzhen Clou Electronics Co., Ltd. should pay the Company compensation of RMB 1,797,214.98. On September 29, 2025, the Company received the full amount of this transition period compensation. After deducting the aforementioned transition period compensation, the actual cost of this equity investment was RMB 16,540,300.

7) Information about significant changes or adjustments in the Company's business, products or services during the reporting period

□Applicable ☑Not applicable

8) Main sales customers and suppliers

Main sales customers

Total sales amount of top five customers (RMB)	375,596,720.70
Ratio of the total sales amount of the top five customers to total annual sales	93.51%
Ratio of sales to related parties in the annual total sales of the top five customers	1.53%

Information of the Company's top 5 customers

No	Customer name	Sales(RMB)	Proportion in the total annual sales amount
1	Shenzhen Power Supply Bureau Co., Ltd.	279,762,843.78	69.65%
2	Guangdong Power Grid Co., Ltd.	59,717,844.45	14.87%
3	PetroChina Company Limited Qinghai Oilfield Branch	16,487,641.53	4.10%
4	SPIC (Zhongshan) Smart Energy Co., Ltd.	13,463,211.01	3.35%
5	Shenzhen Energy Corporation	6,165,179.93	1.53%
Total		375,596,720.70	93.51%

Other information on major customers

☑Applicable □Not applicable

Shenzhen Energy Corporation is a related legal entity of the Company.

The Company's main suppliers

Total purchase amount of top five suppliers (RMB)	385,060,182.69
Ratio of the total purchase amount of the top five suppliers to the total annual purchase amount	83.83%
Ratio of purchase amount of related parties among the top five suppliers to the total annual purchase amount	0.00%

Information on the Company's top 5 suppliers

No	Supplier name	Purchase amount (RMB)	Proportion in the total annual purchase amount
1	Shenzhen Gas Group Co., Ltd.	185,180,604.72	40.31%
2	China Southern Power Grid Power Technology Co., Ltd.	142,391,548.99	31.00%
3	CRCC Harbour & Channel Engineering Bureau Group Co., Ltd.	36,841,734.80	8.02%
4	Tianjin Anqiju Construction Technology Co., Ltd.	12,478,807.34	2.72%
5	Shenzhen Zhongshenli Development Technology Co., Ltd	8,167,486.84	1.78%
Total		385,060,182.69	83.83%

Other information on major suppliers

□Applicable ☑Not applicable

During the reporting period, the Company's trade business income accounted for more than 10% of its operating income

□Applicable ☑Not applicable

(3) Expenses

Unit: RMB

	2025	2024	Year-on-year increase or decrease	Description of significant changes
Sales expenses	3,222,722.58	3,155,604.58	2.13%	
Management expenses	88,440,650.34	95,507,099.03	-7.40%	
Financial expenses	3,478,404.34	6,815,765.10	-48.97%	Mainly due to the Company's successive recovery of funds from asset revitalization in recent years, which led to an increase in the net balance of cash and cash equivalents compared to the same period last year, and improvement of its refined management of fund liquidity, resulting in a year-on-year decrease in financial expenses.
R&D expenses	17,061,249.79	21,341,778.27	-20.06%	Mainly due to a decrease in

				power generation, and a reduction in the number of the Company's ongoing research and development projects during the period, resulting in a year-on-year decrease in R&D expenses.

(4) R&D Expenditure

☑Applicable □Not applicable

Name of main R&D project	Project purpose	Project progress	Goal to be achieved	Expected impact on the future development of the Company
Research and development of a steam turbine shaft seal heater device based on reliable operation	Through research and development, ensure that the front shaft seal of the rotor is not affected by thermal stress, thereby preventing fatigue cracks, ensuring equipment safety, while also improving unit efficiency and reducing equipment operating costs.	Completed	Completing the structural optimization of the steam turbine gland seal, and using new technologies to enhance the safety and economic benefits of the unit equipment.	Improving the equipment performance and system structure, enhancing the equipment safety and reducing costs to increase the technological content and core competitiveness of the Company's products and services.
R&D of the intelligent protection device for the 9E gas turbine generators	Through research and development, optimizing the generator protection device for the 9E gas turbine unit, enhancing equipment performance, and improving the equipment operational safety.	Completed	Completing the performance upgrade and update of the generator protection device for the 9E gas turbine unit, and using new technologies to enhance the safety performance of the unit.	Optimizing and improving equipment performance and enhancing the operational safety of equipment to increase the technological content and core competitiveness of the Company's products and services.
R&D of the excitation carbon brush system for combined-cycle steam turbine generators	Conducting research and development on the excitation carbon brush system for steam turbine generators to reduce the equipment failure rate and improving the operational reliability.	Completed	Optimizing the excitation carbon brush system for steam turbine generators, and effectively using new data parameters to enhance comprehensive performance and to reduce the equipment failure rate.	Improving equipment performance, and enhancing the operational reliability of the steam turbine generator excitation system to increase the technological content and core competitiveness of the Company's products and services.
R&D of the automatic control-based emergency trip system (ETS) for steam turbines	Through research and development, optimizing the use of the emergency trip system (ETS) for steam turbines and	Completed	Optimizing equipment design and use, enhancing the performance of the steam turbine ET protection device, and	Developing new design technologies and improving the performance and safety of unit equipment to increase the

	eliminating safety hazards and risks in steam turbine ET protection to improve the operational safety of equipment.		improving the operational safety of equipment.	technological content and core competitiveness of the Company's products and services.
R&D of an automatic control system for power plant boiler lighting	Conducting research and development on the automatic lighting control system for boilers to achieve light-sensitive automatic control, save operation and maintenance costs, and ensure the safety of O&M personnel during night inspections.	Completed	Completing the automatic control of the boiler lighting system, reducing manual operations and energy waste, while ensuring the safety of O&M personnel and lowering energy consumption.	Improving the safety of unit production, operation, and maintenance personnel and saving costs to increase the technological content and core competitiveness of the Company's products and services.
R&D of a new-type automatic control synchronization system for 9E gas turbines	Conducting research and development on the automatic control synchronization system for gas turbines to eliminate potential hazards and risks in the equipment and improve the operational reliability of the unit.	Completed	Completing the innovative upgrade of the automatic control synchronization system for gas turbines, and ensuring the safe operation of unit equipment.	Making researches on the technological innovation and application, using new technologies to reduce operational hazards and improving equipment performance to increase the technological content and core competitiveness of the Company's products and services.

R&D personnel of the Company

	2025	2024	Change ratio
Number of R&D personnel	72	86	-16.28%
Proportion of R&D personnel	23.61%	29.45%	-5.84%
Educational structure of R&D personnel			
Bachelor	43	52	-17.31%
Master	2	2	0.00%
Others	27	32	-15.63%
Age composition of R&D personnel			
Under 30 years old	13	16	-18.75%
30-40 years old	8	10	-20.00%
Over 40 years old	51	60	-15.00%

R&D expenditure of the Company

	2025	2024	Change ratio
R&D expenditure (RMB)	17,061,249.79	21,341,778.27	-20.06%
Proportion of R&D expenditure in operation income	4.25%	4.82%	-0.57%
Amount of capitalized R&D expenditure (RMB)	0.00	0.00	0.00%
Proportion of capitalized R&D expenditure	0.00%	0.00%	0.00%

in total R&D expenditure			

Reasons and influence of significant changes in R&D personnel composition

□Applicable ☑Not applicable

Reasons for the significant change in the proportion of total R&D expenditure to operating income compared with the previous year

□Applicable ☑Not applicable

Reasons for the significant change of capitalization rate of R&D expenditure and its rationality explanation

□Applicable ☑Not applicable

(5) Cash flows

Unit: RMB

Item	2025	2024	Year-on-year increase or decrease
Sub-total of cash inflows from operating activities	411,912,869.49	552,472,905.42	-25.44%
Sub-total of cash outflows from operating activities	428,714,391.34	590,108,671.47	-27.35%
Net cash flow from operating activities	-16,801,521.85	-37,635,766.05	55.36%
Sub-total of cash inflows from investing activities	107,107,203.63	592,454,642.68	-81.92%
Sub-total of cash outflows from investing activities	493,742,230.15	292,298,619.89	68.92%
Net cash flow from investing activities	-386,635,026.52	300,156,022.79	-228.81%
Sub-total of cash inflows from financing activities	344,393,748.85	484,026,209.56	-28.85%
Sub-total of cash outflows from financing activities	278,631,438.80	586,252,718.34	-52.47%
Net cash flow from financing activities	65,762,310.05	-102,226,508.78	164.33%
Net increase in cash and cash equivalents	-337,811,513.38	160,332,202.10	-310.69%

Notes to reasons for the year-on-year change of the relevant data

☑Applicable □Not applicable

1) During the reporting period, the cash inflows from operating activities decreased by 25.44% year-on-year. This was mainly because Nanshan Power Plant fully leveraged its advantages in refined operational management and, based on the nodal electricity prices in the spot power market, dynamically adjusted its spot clearing strategy with the goal of maximizing the comprehensive benefits of its power business. This led to reduced actual power generation, resulting in a year-on-year decrease in the revenue from power generation and sales, and consequently, a year-on-year decrease in cash inflows from operating activities. Meanwhile, the Company accelerated the layout of its integrated energy services business. The independent energy storage project of Shenzhen Nanshan Power Xiwan Company was successfully put into operation during this period, achieving rapid release of production capacity and driving a significant increase in the revenue and marginal contribution from the integrated energy services business, which partially offset the impact of the decline in the revenue from the traditional power sales business.

2) During the reporting period, the cash outflows from operating activities decreased by 27.35% year-on-year, mainly due to the following reasons: firstly, the Company actively adapted to the adjustments in the capacity electricity price and variable cost compensation policies in Guangdong Province, continuously optimizing the spot market trading strategy for Nanshan Power Plant, and effectively controlling the costs of the power sales business; and secondly, the Company has always adhered to the concept of lean management, implementing strict budgetary control and process optimization for all its operating expenses, continuously improving overall operational efficiency, and reasonably compressing non-essential expenditures. The combined effect of these factors resulted in a year-on-year decrease in the cash outflows from operating activities for the current period.

3) During the reporting period, the net cash flow from operating activities increased by 55.36% year-on-year, mainly due to the following reasons: firstly, the Company accelerated the layout of its integrated energy services business, as the independent energy

storage project of Shennan Power Xiwan Company was successfully put into operation during the current period, achieving rapid release of production capacity and driving a significant increase in revenue and marginal contribution from the integrated energy services business; and secondly, the Company actively adapted to the adjustments in the capacity electricity price and variable cost compensation policies in Guangdong Province, continuously optimizing the spot market trading strategy for Nanshan Power Plant, and effectively controlling the costs of the power sales business, which led to a decrease in the cash outflows from operating activities. The combined effect of these factors resulted in a year-on-year increase in the net cash flow from operating activities for the current period.

4) During the reporting period, the cash inflows from investing activities decreased by 81.92% year-on-year, mainly due to the following reasons: firstly, the Company achieved significant results in revitalizing its existing assets, and in the same period of the previous year, Xiefu Company completed the equity transfer of Huidong Xiefu and received the relevant payments; and secondly, the Company continuously optimized its fund management strategy, and in the same period of the previous year, it redeemed financial products such as structured deposits and large-denomination certificates of deposit, which generated large cash inflows from investing activities. The combined effect of these factors resulted in a year-on-year decrease in cash inflows from investing activities for the period.

5) During the reporting period, the cash outflows from investing activities increased by 68.92% year-on-year, mainly due to the following reasons: firstly, the Company actively promoted the construction of the independent energy storage project of Shennan Power Xiwan Company, which led to an increase in cash payments for equipment procurement and engineering works during the current period; secondly, the Company strengthened its fund management to improve the efficiency of fund utilization, resulting in an increase in structured deposits deposited in commercial banks from existing monetary funds in the current period, which led to a year-on-year increase in cash outflows from investing activities.

6) During the reporting period, the net cash flow from investing activities decreased by 228.81% year-on-year, mainly due to a decrease in the cash inflows from investing activities on the one hand and an increase in the cash outflows from investing activities on the other, as detailed in (4) and (5) respectively.

7) During the reporting period, the cash inflows from financing activities decreased by 28.85% year-on-year, mainly due to a year-on-year decline in the scale of new financing, which resulted in a decrease in cash inflows from financing activities.

8) During the reporting period, the cash outflows from financing activities decreased by 52.47% year-on-year, mainly due to a decrease in cash paid for debt repayment during the period, which resulted in a year-on-year decrease in cash outflows from financing activities.

9) During the reporting period, the net cash flow from financing activities increased by 164.33% year-on-year. This was mainly because the Company optimized its asset-liability structure, which led to a reduction in the financing scale and a year-on-year decrease in cash paid for debt repayment, resulting in a year-on-year increase in the net cash flow from financing activities.

10) During the reporting period, the net increase in cash and cash equivalents decreased by 310.69% year-on-year, mainly due to a year-on-year decrease in the net cash flow from investing activities, which affected the net increase in cash and cash equivalents.

Reasons of major difference between the net cash flow from operating activities during the reporting period and net profit of the

Company of 2025

☑Applicable □Not applicable

During the reporting period, there was a significant difference between the net cash flow from operating activities of RMB -16,801,500 and the net profit for the current year of RMB 255,202,700. This was mainly due to the combined impact of gains on asset disposal, investment income, asset impairment losses, credit impairment losses, amortization of deferred income, changes in operating receivables and payables, non-cash expenses such as depreciation and amortization, and financial expenses. Among them, the main items include gains on asset disposal of RMB 284,413,100, investment income of RMB 28,835,300, asset impairment losses of RMB 26,366,300, and credit impairment losses of RMB 4,791,900. All the above items are included in the net profit for the current year but do not affect the net cash flow from operating activities.

5. Analysis of Non-core Business

☑Applicable □Not applicable

Unit: RMB

	Amount	Proportion in total profit	Explanation of causes	Sustainability
Investment income	28,835,338.95	10.83%	This was mainly due to the investment income from structured deposits held by the Company, dividend distributions received from other equity instrument investments held during the period, and investment income recognized from associates accounted for using the equity method.	The investment income recognized from associates accounted for using the equity method is sustainable.
Gains and losses on changes in fair value	0.00	0.00%		No
Impairment of assets	-26,366,298.90	-9.90%	This was mainly due to the provision for inventory write-down made for some maintenance spare parts that were expected to become idle in 2025.	No
Gains from disposal of assets	284,413,055.16	106.84%	Mainly due to the completion of the land reservation and transfer of Parcel B by the subsidiary Shenzhen Nanshan Power Zhongshan Company in the current year, with the corresponding recognition of gains or losses on asset disposal.	No
Non-operation income	844,799.91	0.32%		No
Non-operating expenses	2,003,725.51	0.75%		No

6. Analysis of Assets and Liabilities

(1) Assets causing significant change

Unit: RMB

Item	End of 2025		Beginning of 2025		Proportion increase/decrease	Notes to the significant change
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary funds	141,590,339.04	6.12%	478,979,221.66	23.80%	-17.68%	This was mainly due to two reasons: firstly, the Company strengthened its refined fund management to

						improve the efficiency of fund utilization, resulting in an increase in structured deposits deposited in commercial banks from existing monetary funds; secondly, the Company continued to optimize its asset-liability structure and repaid short-term borrowings that became due during the current period, leading to a corresponding decrease in cash and cash equivalents.
Account receivable	109,831,397.29	4.75%	67,817,025.91	3.37%	1.38%	This was mainly due to the increase in receivables from the integrated energy services business as the independent energy storage project of Shennan Power Xiwan Company was put into operation during the current period.
Advances to suppliers	11,052,982.80	0.48%	19,062,352.04	0.95%	-0.47%	
Other receivables	361,729,062.93	15.63%	131,831,575.62	6.55%	9.08%	This was mainly due to the increase in receivables for land reservation and acquisition compensation as Shenzhen Nanshan Power Zhongshan Company completed

						the land reservation, acquisition and transfer confirmation of Parcel B during the current period.
Inventories	37,972,909.48	1.64%	80,234,374.79	3.99%	-2.35%	This was mainly due to the provision for inventory write-down made for some maintenance spare parts that were expected to become idle during the current period, resulting in a corresponding decrease in inventories.
Contract assets	21,441,671.72	0.93%	95,580.68	0.00%	0.93%	This was mainly due to an increase in progress payments receivable and undue retention money for integrated energy service projects during the current period.
Assets held for sale	0.00	0.00%	24,582,784.59	1.22%	-1.22%	This was mainly due to the public transfer of generator set equipment and related assets after Shenzhen Nanshan Power Zhongshan Company completed the land reservation and acquisition and the shutdown and retirement of the units, and the completion of the land reservation, acquisition and transfer confirmation

						for Parcel B, resulting in a decrease in the assets held for sale.
Long-term equity investments	196,827,515.83	8.51%	90,587,521.44	4.50%	4.01%	This was mainly due to the reclassification of some external investments, which were originally presented as other equity instrument investments but over which the Company has significant influence, to long-term equity investments for accounting purposes during the current period, resulting in an increase in the long-term equity investments.
Investment properties	1,331,453.08	0.06%	1,498,009.84	0.07%	-0.01%	
Fixed assets	544,902,436.89	23.55%	451,203,790.97	22.42%	1.13%	
Construction in progress	3,113,338.75	0.13%	6,983,713.85	0.35%	-0.22%	
Right-of-use assets	28,785,337.19	1.24%	6,160,020.43	0.31%	0.93%	
Intangible assets	2,041,770.36	0.09%	1,349,731.81	0.07%	0.02%	
Short-term borrowings	172,094,604.45	7.44%	268,615,009.19	13.35%	-5.91%	This was mainly due to the Company's repayment of short-term borrowings that became due during the current period, resulting in a decrease in short-term borrowings.
Accounts payable	42,661,594.09	1.84%	14,022,157.61	0.70%	1.14%	This was mainly due to the completion of

						the construction of the independent energy storage project of Shennan Power Xiwan Company and its transfer to fixed assets during the current period, resulting in an increase in payables for project works and equipment.
Contract liabilities	130,796.46	0.01%	50,000.00	0.00%	0.01%	
Employee compensation payable	24,759,553.78	1.07%	16,052,879.47	0.80%	0.27%	
Taxes and surcharges payable	8,531,798.19	0.37%	14,348,908.04	0.71%	-0.34%	
Other payables	33,323,386.05	1.44%	15,685,234.29	0.78%	0.66%	
Other current liabilities	2,425,298.89	0.10%	107,922,984.82	5.36%	-5.26%	This was mainly due to the completion of the land reservation, acquisition and transfer confirmation of Parcel B by Shenzhen Nanshan Power Zhongshan Company during the current period. The compensation received for part of Parcel B was transferred to other receivables, resulting in a decrease in other current liabilities.
Long-term borrowings	168,421,492.31	7.28%	0.00	0.00%	7.28%	This was mainly due to the construction of the independent energy storage

						project of Shennan Power Xiwan Company, for which new special-purpose loans for fixed assets were added during the current period.
Lease liabilities	24,668,020.16	1.07%	2,125,910.18	0.11%	0.96%	
Estimated liabilities	364,945.00	0.02%	0.00	0.00%	0.02%	
Financial assets held for trading	341,000,000.00	14.74%	0.00	0.00%	14.74%	This was mainly due to two reasons: firstly, the Company's structured deposits in commercial banks increased; secondly, private equity funds originally presented as other equity instrument investments were reclassified to financial assets at fair value through profit or loss for accounting based on their contractual cash flow characteristics, resulting in an increase in financial assets held for trading.
Other current assets	266,262,387.12	11.51%	285,528,539.22	14.19%	-2.68%	This was mainly due to the completion of the land reservation, acquisition and transfer confirmation of Parcel B by Shenzhen Nanshan Power Zhongshan Company during the current period. The

						employee compensation and relocation expenses related to the land reservation and acquisition were transferred to gains on asset disposal, resulting in a decrease in other current assets.
Investment in other equity instruments	234,179,057.20	10.12%	354,798,054.57	17.63%	-7.51%	This was mainly due to the reclassification of private equity investment funds to long-term equity investments and financial assets at fair value through profit or loss for accounting during the current period, resulting in a decrease in other equity instruments.

Overseas assets account for a relatively high proportion

□Applicable ☑Not applicable

(2) Asset and liabilities measured at fair value

☑Applicable □Not applicable

Unit: RMB

Item	Beginning balance	Profit or loss from changes in fair value of the current period	Cumulative changes in fair value included in equity	Provision for impairment of the current period	Purchase amount of the current period	Sales amount the current period	Other changes	Ending balance
Financial assets								
1. Financial assets held for trading (excluding derivative financial					1,334,000,000.00	1,043,000,000.00	50,000,000.00	341,000,000.00

assets)								
2. Derivative financial assets								
3. Investment in other creditor's rights								
4. Investment in other equity instruments	354,798,054.57	29,381,002.63	29,381,002.63			7,346,000.00	-142,654,000.00	234,179,057.20
5. Other non-current financial assets								
Subtotal of financial assets	354,798,054.57	29,381,002.63	29,381,002.63		1,334,000,000.00	1,050,346,000.00	-92,654,000.00	575,179,057.20
Investment properties								
Productive biological assets								
Others								
Total	354,798,054.57	29,381,002.63	29,381,002.63		1,334,000,000.00	1,050,346,000.00	-92,654,000.00	575,179,057.20
Financial liabilities	0.00							0.00

Other changes

For details of other changes and the relevant explanations, please refer to Note 2 under Item V.9 Investment in other equity instruments in the notes to the consolidated financial statements.

Any significant change in the measurement of principal assets in the reporting period?

□Yes No☑

(3) Restrictions of asset rights as of the end of the reporting period

Item	Ending balance (RMB)	Balance at the end of the previous year (RMB)
Guarantee deposit	8,334,730.76	7,912,100.00
Total	8,334,730.76	7,912,100.00

7. Analysis of Investments

(1) General information

☑Applicable □Not applicable

Investment amount during the reporting period (RMB)	Investment amount in the same period of last year (RMB)	Change range
18,490,285.02	101,000,000.00	-82%

(2) Significant equity investments acquired in 2025

☑Applicable □Not applicable

Unit: RMB

Name of investee	Main business	Investment method	Investment amount	Shareholding ratio	Sources of funds	Partner	Investment period	Product type	Progress as of the balance sheet date	Expected earnings	Profit or loss of investment in the current period	Litigation involved or not	Date of disclosure (if any)	Disclosure index (if any)
Sichuan Ruinan Electric Power Construction Engineering Co., Ltd.	Mainly engaged in the EPC business of new energy photovoltaic power stations, wind farms, and energy storage power station projec	Acquisition	16,540,285.02	75.00%	Acquisition of equity by assuming debt	Shenzhen Clou Electronics Co., Ltd., and Fan Peng	Long-term	Limited liability company	The equity transfer agreement was signed on May 21, 2025, and the business registration change was completed in July	0.00	0.00	No	May 17, 2025 and July 15, 2025	Announcement No.: 2025-021, 029

	ts								2025.					
Shenzhen Yuanzhi Zhongkai Energy Storage Technology Innovation Private Equity Fund Partnership (Limited Partnership)	Engaged in equity investment, investment management, asset management and other activities with private equity funds	Newly established	26,000,000.00	6.50%	Self funds	Shenzhen Zhongke Incubation Equity Investment Fund Management Co., Ltd., Shenzhen Yuanzhi Energy Storage Private Equity Fund Management Co., Ltd., Shenzhen New-type Energy Storage Industry Equity Fund Partnership (Limited Partnership), China Science and Technology Development Co.,	Long-term	Funds	An investment of RMB 1.95 million has been completed.	0.00	0.00	No	October 25, 2024	Announcement No.: 2024-060

						Ltd., etc.								
Total	--	--	42,540,285.02	--	--	--	--	--	--	0.00	0.00	--	--	--

(3) Significant non-equity investments during the reporting period

□Applicable ☑Not applicable

(4) Financial-asset investments

1) Securities investment

□Applicable ☑Not applicable

The Company had no securities investment in 2025.

2) Derivatives investment

□Applicable ☑Not applicable

The Company had no investment in derivatives in the reporting period.

8. Sales of Significant Assets and Equities

(1) Sales of significant assets

☑Applicable □Not applicable

Counterparty	Assets sold	Date of sale	Transaction prices (RMB 10,000)	Net profit contributed by the asset to the listed company from the beginning of the current period to the date of sale (RM	Impact of the sale on the Company (Note 3)	Ratio of net profit contributed by asset sales to the listed company in the total net profit	Pricing principles of asset sale	Whether it is related transactions	Relationship with the counterparty (applicable to related transactions)	Whether have all the property rights of the assets involved been transferred	Whether all the claims and debts involved have been transferred	Whether it is implemented as planned and as scheduled. If it is not implemented as planned, the reasons and the meas	Disclosure date	Disclosure index

				B 10,000)								ures the Company has taken should be explained.		
Management Committee of Zhongshan Cuiheng New Area	The state-owned land use rights of three parcels of land of Shenzhen Nanshan Power Zhongshan Company, located in Hengmen Industrial Zone, Nanlang Street, Cuiheng New Area, Zhongshan City	December 12, 2023	58,445.35	22,729.85	This is conducive to revitalizing the Company's existing assets, improving the Company's operating cash flow, alleviating the Company's operating pressure, supporting the Company to better focus on transformation	85.38%	Determined based on the asset appraisal results and through negotiation between both parties.	No	Not applicable	No	No	Being implemented as scheduled	November 08, December 15, December 20, 2023; April 13, November 06, December 28, 2024	Announcement No.: 2023-048, 052, 053; 2024-027, 062, 076.

					and development, and is in line with the Company's strategic development plan.									
Fujian Hengjing Investment Co., Ltd.	Generator sets and their auxiliary equipment of Shenzhen Nanshan Power Zhongshan Company	March 04, 2025	6,372.69	70.14	This is conducive to ensuring the smooth completion of the land reservation and acquisition work of Shenzhen Nanshan Power Zhongshan Company, revitalizing existing assets, and assisting the	0.26%	Transferred through public listing on the Shenzhen United Equity Exchange, with the asset appraisal value as the reserve price.	No	Not applicable	Positions	Positions	Completed	December 07, 2024; March 06, June 04, 2025	Announcement No.: 2024-070, 2025-002, 2025-024.

					Company's transformation and development.									

(2) Sales of significant equities

□Applicable ☑Not applicable

9. Analysis of the Main Share Holding Companies and Share Participating Companies

☑Applicable □Not applicable

Main subsidiaries and affiliated companies with over 10% net profit influence to the Company

Unit: RMB 10,000

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating income	Operating profit	Net profit
Shenzhen Nanshan Power Gas Turbine Engineering Technology Co., Ltd.	Subsidiary	Engaged in technical consulting services for the construction of gas-steam combined-cycle power plants (stations), and undertaking maintenance and overhaul of operating equipment for gas-steam combined-cycle power plants (stations). Import and export of goods and technology (excluding distribution and state-monopolized commodities).	15,000	12,041.56	6,879.13	4,166.15	-1,542.18	-1,557.45

Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.	Subsidiary	Gas turbine power generation, waste heat power generation, power supply and heat supply (excluding heat supply pipe networks), leasing of terminals, oil depots (excluding refined oil products, hazardous chemicals, and flammable and explosive materials) and power equipment and facilities; leasing of land use rights; and leasing of non-residential real estate.	74,680	66,262.15	-9,004.10	6,313.73	33,667.14	32,607.91

Situation of acquiring and disposing subsidiary during the reporting period

☑Applicable □Not applicable

Company name	Methods of acquiring and disposing subsidiary during the reporting period	Impact on overall production operations and performance
Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership)	Liquidation and deregistration on June 30, 2025	This is conducive to streamlining management levels and optimizing the Company's external investment structure, and does not have a significant impact on the Company's performance.
Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd.	Acquired by assuming debt and included in the scope of the Company's consolidated financial statements from July 2025	This helps the Company achieve full coverage of engineering capabilities in both traditional power generation and new energy fields, strengthens its full-chain service system of "investment, construction, operation, management, and maintenance", and further enhances integrated energy service capabilities. From July to December 2025, it achieved a cumulative operating revenue of RMB 25,265,800 and a net profit of RMB 546,200.

Notes to main holding and shareholding companies

Shenzhen Nanshan Power Zhongshan Company: On March 4, 2025, Shenzhen Nanshan Power Zhongshan Company signed the Physical Asset Transaction Contract with Fujian Hengjing Investment Co., Ltd. The transfer price for the two sets of generator units and related assets was RMB 63,726,928.75 (excluding tax). Fujian Hengjing Investment Co., Ltd. completed the payment of the entire transfer price, interest, and value-added tax by May 30, 2025, through installment payments, successfully completing the public transfer of Shenzhen Nanshan Power Zhongshan Company's generator units. In terms of land reservation and acquisition, during the reporting period, Shenzhen Nanshan Power Zhongshan Company's Parcel B was handed over for land reservation and acquisition, and a corresponding gain or loss on asset disposal of approximately RMB 284,123,200 was recognized.

10. Structured Entities Controlled by the Company

□Applicable ☑Not applicable

11. Outlook on the Company's Future Development

(1) Analysis of the Company's business situation in 2026

In 2026, the Company's main power business will continue to face a complex operating environment. First, the pressure to balance power generation costs and revenues persists. Although the global natural gas supply is tending to ease with some room for price decline, the geopolitical conflict in the Middle East that broke out at the end of February 2026 has driven a rapid short-term rise in international energy prices, and the subsequent trend remains uncertain. Against the backdrop of expected declines in annual long-term contract electricity prices and spot nodal electricity prices, the Company's power generation business may still face structural pressure where costs exceed revenues. Second, the Company's responsibility for ensuring power supply remains arduous. According to the Analysis and Forecast Report on National Power Supply and Demand Situation (2025-2026) issued by the China Electricity Council, the national total electricity consumption is expected to grow by 5%-6% year-on-year in 2026, with the peak load projected to climb further, increasing the pressure on the Company for fuel supply assurance and stable power generation. Third, competition in the power market is becoming increasingly fierce. As the Guangdong power spot market system continues to improve and more high-efficiency, large-capacity units are put into operation, the Company's existing 9E units face greater challenges in market competition.

At the same time, national policies provide significant opportunities for energy transition and the Company's development. The Notice on Deepening the Market-oriented Reform of On-grid Tariffs for New Energy to Promote High-quality Development of New Energy (FGNY [2025] No. 136), jointly issued by the National Development and Reform Commission and the National Energy Administration in January 2025, marks the official end of an era of government pricing and subsidy dependence that lasted for more than a decade for the new energy industry, which is now fully entering a new era of market-based competition. In January 2026, the Notice on Improving the Capacity Price Mechanism on the Generation Side (FGJG [2026] No. 114), issued by the National Development and Reform Commission and the National Energy Administration, clarified the capacity value of new-type energy storage at the national institutional level for the first time. Based on the core principle of "equal pay for equal work", it officially incorporates independent new-type energy storage on the grid side into the capacity price mechanism on the generation side, providing core policy support for the large-scale development of the energy storage industry.

Facing the above opportunities and challenges, the Company, with firm confidence and a clear understanding, will firmly grasp the strategic initiative, adhere to development as its top priority, strengthen the layout of its main business in energy storage and integrated energy services, while also deeply cultivating its traditional gas turbine business to solidify its development foundation. Through a series of measures, such as focusing on breaking through the talent bottleneck by building a forward-looking talent planning and systematic training system, continuously deepening market-oriented mechanism reform and improving the performance-oriented incentive and restraint mechanism to release organizational vitality, and comprehensively enhancing the integrated capabilities of "investment, construction, operation, management, and maintenance" and its level of intelligence to create replicable business models and differentiated competitive advantages, the Company will unite the efforts of all employees, strengthen its awareness of opportunities, seize the momentum, overcome difficulties, and fully promote the Company's strategic transformation to a new level to achieve sustainable, high-quality development.

(2) Outline of the Company's business plan for 2026

The year 2026 is the first year of the Company's "15th Five-Year Plan" and a key year for its strategic transformation to gain full momentum. The Company will fully implement the spirit of the Fourth Plenary Session of the 20th CPC Central Committee, focus on the strategic goal of "becoming a leading domestic integrated energy service provider", and adhere to a combination of problem-oriented, goal-oriented, and result-oriented approaches. Centering on the core annual goals of "promoting the full implementation of incremental projects, achieving a breakthrough in the scale of the integrated energy business, and completing the construction of key capabilities for strategic transformation", the Company will deeply integrate internal and external resources, comprehensively enhance the integrated level of "investment, construction, operation, management, and maintenance", actively expand diversified and low-carbon integrated energy service scenarios, continuously optimize its market-oriented and professional modern enterprise management system, and constantly enhance its market competitiveness and brand influence. It will also effectively improve its overall profitability and risk resistance capabilities, laying a solid foundation for achieving the strategic goals of the "15th Five-Year Plan" and striving to embark on a new journey of high-quality development for the Company.

1) Focusing on strategic goals to fully expand the future development landscape. First, strengthening strategic insight and empowerment to anchor the direction of high-quality development. The Company will continue to deepen the normalized policy and market analysis mechanism, and closely track and study the cutting-edge trends in fields such as new energy and energy storage to ensure the forward-looking nature of market direction and the scientific basis of decision-making. On this basis, it will complete the compilation of the Company's "15th Five-Year Plan" with high quality, ensuring the plan's foresight, feasibility, and guidance, to lay a solid foundation for the long-term layout of the energy service business and the Company's future development. At the same time, it will complete this year's virtual research institute project research to help forge and enhance the Company's core capabilities across the entire chain of "investment, construction, operation, management, and maintenance". Second, strengthening empowerment through capital operations to deepen the layout of the integrated energy industry. The Company will actively promote the implementation and effectiveness of incremental projects, accelerate project cultivation and market expansion, and use capital to drive industrial upgrading, injecting strong momentum into high-quality development. Third, fully promoting subsidiaries to achieve large-scale performance breakthroughs in integrated energy services: The Energy Technology Company must complete the construction of the Zhongshan Guzhen Town Energy Storage Power Station (Phase I) project on schedule and pass the grid-connection acceptance; at the same time, it will accelerate the cultivation of core engineering and construction capabilities to provide high-quality and efficient engineering construction support and services for the Company's system-wide new energy projects. Shennan Power Xiwan Company must continuously optimize the operational efficiency of the Zhongshan Independent Energy Storage Power Station (Phase I) project, promote the formation of a standardized and replicable operation and management model, and efficiently advance the implementation of key tasks to provide solid support for the subsequent large-scale expansion of energy storage projects. Shennan Power Environmental Protection Company must focus on the energy storage operation and maintenance field to accelerate the building of its own core advantages, secure high-quality projects, steadily transition to high-value-added and market-oriented service models, and form sustainable market profitability. Shennan Power Engineering Company must promote the synergistic development of domestic and international business, and make every effort to organize and implement preparatory work such as establishing a branch and management mechanism for the Cambodia project, ensuring the provision of high-quality services in compliance with regulations to further consolidate market competitiveness and enhance brand value.

2) Deeply cultivating energy services to continuously forge core competitive advantages. Focusing on the main line of energy services, the Company will fully forge industry-leading core competitive advantages through a three-dimensional approach of synergistic efficiency, model innovation, and global layout. First, using synergy and cooperation as an engine to release the overall effectiveness of the system. The Company will deepen internal and external synergy and pool development efforts. Internally, it will break down organizational barriers, promote deep sharing and effective collaboration among subsidiaries in terms of human resources, technology, resources, capabilities, and business, and accelerate the standardization of development mechanisms and processes for energy storage projects to achieve joint project expansion through complementary advantages. Externally, it will build

an ecosystem of "strategic trust and win-win cooperation", explore the new energy market with industry partners, and form a new pattern of coordinated development featuring internal-external linkage and resource integration, comprehensively enhancing its system-wide operational capabilities. Second, taking model innovation as the core to solidify competitive barriers across the entire chain. Focusing on the integrated industrial chain of "investment, construction, operation, management, and maintenance", the Company will solidify successful practices into mature, replicable, and scalable business models. By refining best practices, it will form standardized investment models, construction standards, and operational plans, continuously improving the accuracy of investment decisions, the capability of talent assurance, the efficiency of project experience accumulation, and the speed of response to customer needs. This will promote a systematic leap in the execution efficiency and service quality of the entire chain, creating core capabilities that are difficult to replicate. Third, adopting a dual circulation pattern to shape new global competitive advantages. Based on both domestic and international markets, the Company will build a development pattern of "deeply cultivating the local market while radiating globally". In the domestic market, it will implement a strategy of "demonstration and leadership, clustered development", using benchmark projects as fulcrums to replicate and promote in key regions, forming its scale effects and brand influence. In the international market, it will deeply integrate into the national "Energy Go-Global" strategy, starting with projects in Cambodia and other locations, to promote the global output of mature technical standards, operation and maintenance services, and management experience. Through the coordinated development and complementary capabilities of domestic and international markets, the Company will forge its full-chain "investment, construction, operation, management, and maintenance" service system into an industry-leading core advantage with global competitiveness, contributing greater value to serving the national energy strategy and leading the industry's transformation.

3) Focusing on value enhancement to help improve the efficiency of existing assets and upgrade services. With value creation as the core engine, the Company will comprehensively enhance its development quality and efficiency through a three-dimensional linkage of tapping the potential of existing assets, management empowerment and operational upgrading. First, deepening the tapping of potential in existing assets to release asset value and business efficiency. In terms of the power generation segment, with safe production as the bottom line, the Company will dynamically assess the power supply and demand and energy market trends within the province, optimize power marketing strategies and fuel procurement plans, strengthen the coordinated dispatch of gas and electricity, and expand the electricity sales market space, comprehensively promoting quality and efficiency improvements in the power business. Xiefu Company, guided by "service value-added + asset value-added", will deepen the refined management of its leasing business, increase property occupancy and yield rates, and simultaneously explore and cultivate new profit growth points. Second, strengthening the headquarters empowerment to build a functional transformation towards a strategic support and service ecosystem. The Company will promote the transformation of its headquarters from a "management-oriented" to a "value-oriented empowerment platform", creating efficient and synergistic organizational capabilities. It will enhance professional leadership: all functional departments will deepen policy research and industry insights, strengthen their knowledge reserves in professional fields, and provide forward-looking strategic guidance and implementable solutions for subsidiaries. It will optimize service support: streamlining redundant processes, reducing administrative tasks and eliminating formalism and excessive layering of requirements to genuinely reduce the burden on the front line, allowing business teams to focus on market expansion and value creation and forming a virtuous cycle of "headquarters empowering and grassroots creating efficiency". Third, consolidating the operational foundation to build a solid management base for value creation. The Company will enhance its operational efficiency through standardization, centralization and digitalization, providing solid support for value creation. Process standardization: it will dynamically improve the standardized process management system, promote the in-depth implementation of processes in new business areas, and achieve coordinated development. Procurement professionalization: it will explore the construction of a bidding and procurement center featuring "centralized management and control + professional support" to improve procurement efficiency, standardization, and cost control capabilities. Deep integration of business and finance: it will strengthen the strategic guiding role of comprehensive budgeting, use data to drive the optimal allocation of resources, provide precise financial support for strategic decision-making and performance improvement, and build an integrated value management closed loop of "strategy-business-finance".

4) Deepening mechanism reform to foster strong internal driving forces for development. With strengthening talent support and assurance as a strategic cornerstone, the Company will fully activate its internal vitality, providing a core engine for its high-quality development and value creation. First, strategic leadership and forward-looking talent planning. The Company will closely follow its "15th Five-Year" strategy and business layout, deeply embed the talent planning into the entire process of new project development. By accurately calculating human resource costs and pre-allocating core teams, the Company will ensure that projects can quickly form combat effectiveness after winning bids, avoiding the risk of talent gaps at the source and guaranteeing strategic implementation and benefit realization. Second, breaking down barriers to build a dynamic talent-sharing ecosystem. The Company will deepen the talent-sharing mechanism, break down organizational boundaries, and promote the efficient flow of internal talent across departments and projects. This will maximize the utilization of existing human resources, precisely match business needs, and effectively alleviate the pressure of structural shortages. Third, implementing systematic policies to build a high-quality and professional talent echelon. The Company will construct a forward-looking human resources system that matches its strategy, and deepen the entire chain of mechanisms for "selection, employment, cultivation, and retention". Through systematic talent inventory and unified deployment, it will focus on core areas and scarce positions to precisely introduce key talent. It will strengthen specialized training and practical experience to accelerate the iteration of existing talent's capabilities and value enhancement, focusing on forging a composite talent team that "understands strategy, is professionally proficient, dares to pioneer, and excels at tackling tough challenges". Fourth, value-oriented innovation of market-based incentive and restraint mechanisms. The Company will explore the establishment of a flexible and long-term incentive model closely linked to "incremental profits", promoting all employees to deeply practice the concept of market-based value distribution. This will fully stimulate the innovation and creative vitality of talent, achieving a synchronized resonance between personal value and corporate development. Fifth, forging a soul through culture to cultivate a spirit of market-oriented expansion and collaboration. The Company will enhance the market-oriented expansion capabilities of all employees, encouraging cadres and staff to proactively "explore the market and seize opportunities". At the same time, it will deepen internal business synergy and consolidate efforts, laying the foundation for creating an industry-leading talent hub and innovation engine.

5) Fortifying safety defenses to ensure stable and orderly production and operation. As 2026 is the decisive year of the Company's three-year action plan for fundamental improvement in production safety, and facing the new situation of an upgraded national production safety governance system and the Company's expansion into new business, it is imperative to adhere to the principles of "people first, life first". The Company must coordinate development and safety from a higher standpoint, and build a modern safety management system adapted to new business formats and a new landscape, thereby building a solid safety barrier for the realization of its strategic goals. First, anchoring the completion of the fundamental improvement campaign to build a long-term safety mechanism. Focusing on key areas such as hazardous chemicals, new energy, and mechanical and electrical engineering, the Company will strictly benchmark against the latest national standards for identifying major accident hazards. It will establish a closed-loop management mechanism covering the entire chain of "investigation - rectification - acceptance - feedback - improvement" to ensure that all rectification measures of the three-year action plan are fully implemented and effective, promoting the shift in safety governance from "addressing symptoms" to "tackling root causes". Second, consolidating the safety responsibilities of all employees to enhance the level of intrinsic safety. The Company will strengthen the primary responsibility of the main person in charge and conduct regular "Four Nos, Two Directs" inspections and cross-inspections. It will accelerate the elimination of outdated processes and equipment, promote intelligent equipment and advanced standards, and use the construction of a standardized production safety system as a driver to build a benchmark enterprise for intrinsic safety in the industry. Third, strengthening the cultivation of safety literacy to build a safety defense line for all employees. Using the "Safety Production Month" and "Fire Safety Publicity Month" as platforms, the Company will innovate forms of safety culture communication to ensure the safety knowledge is deeply ingrained. It will deepen external exchanges and cooperation, systematically learn from advanced safety management experience, and formulate a safety standard system covering new business formats to comprehensively improve the professionalism and standardization of safety management. Fourth, forging emergency response capabilities to safeguard the steady development of new business. The Company will carry out precise safety skills training, strengthen "combat-oriented" emergency drills, and improve emergency plans and resource

reserves. This will comprehensively enhance its emergency response and handling capabilities in complex scenarios, providing a safety guarantee for the expansion of its new business.

6) Strengthen political responsibility and consolidate the solid foundation for long-term development. Adhere to integrating the Party's leadership into all aspects and the entire process of the company's reform and transformation, taking studying and implementing the spirit of the Fourth Plenary Session of the 20th CPC Central Committee as the primary political task, and taking the consolidation and expansion of learning and education achievements as an opportunity, focusing on "further strengthening political guidance, further deepening the integration of Party building, further highlighting brand effect, and further enhancing cultural services" to make precise efforts, promoting Party building and corporate development to resonate at the same frequency. First, strengthen political loyalty and hold steady the ideological rudder. Adhere to using the Party's innovative theories to forge the soul and gather strength, strictly implement the "first agenda item" system, and deepen the working mechanism of "extensive study, in-depth research, and true implementation." Focus on the transformation of learning into application, deeply integrate theoretical study achievements into the company's transformation strategy, embody political responsibility in solving development problems, and ensure that the company's reform and development always move forward along the correct course. Second, deepen brand empowerment and activate the development engine. With the company's Party building brand construction as a starting point, promote deep integration of Party building with strategic transformation and production and operation, focusing on new layouts of integrated energy services and key technology research, creating characteristic projects of "Party building + business tackling" and "Party building + technological innovation," so that the Party flag flies high on the front line, transforming the Party's political advantages into the company's competitive advantages and momentum for development. Third, cultivate integrity and upright conduct, and build a defense line for clean governance. Improve the joint supervision mechanism, dynamically inspect integrity risks, improve prevention and control measures, and further advance the Party's clean governance and anti-corruption struggle, creating a clean and upright environment for entrepreneurship, and escorting the company's healthy development. Fourth, enrich the cultural soil and gather the synergy for progress. Coordinate the advancement of corporate culture construction and employee care, solidify trade union care services, and enrich the carriers of cultural and sports activities. Smooth communication channels such as the "Chairman's Mailbox" and "Leadership Reception Day," promptly solve employees' "urgent, difficult, worrisome, and expectant" problems, create a corporate atmosphere that is "warm, energetic, and with a sense of belonging," and gather strong synergy for high-quality development.

The business plan and related situation analysis described in this annual report do not constitute a commitment by the Company to investors. The Company reminds investors to maintain due risk awareness and to understand the differences between the business plan and actual operating conditions, and to make prudent investment decisions.

(3) Major potential risks and countermeasures

1) Main business: In 2026, affected by multiple factors, the Company's subsidiary power plants will face immense pressure from high fuel costs and outdated unit energy efficiency. The Company will struggle to make a profit from its 9E units under the pressure of competing with more efficient and lower-cost units. The Company will continue to strengthen the operation and management of its existing assets, actively respond to the requirements and changes in the power market, and make every effort to improve the profitability of its main business and overall operational efficiency. At the same time, the Company will use the Zhongshan independent energy storage project as a driver, focus on integrated energy services, actively explore diversified business models, and seize the opportunity to transform from a traditional power generation enterprise to an integrated energy service provider, creating better conditions for the Company's sustainable operation and healthy development.

2) In terms of safety management: As the Company's business diversifies, safety risks are intertwined and superimposed. The Company will continue to strengthen the overall planning and deployment of safety management. According to the risk characteristics and work needs of each business segment, it will deeply analyze the root causes of prominent problems and difficulties, organize consultations and judgments, and formulate practical and feasible solutions to ensure that safety management work adapts to the needs of business development and effectively prevents various safety risks. In response to the aging status of power generation equipment,

the Company will continuously improve the maintenance and governance level of the equipment by formulating scientific and reasonable maintenance and technical transformation plans and investing corresponding funds and technical forces. It will also implement the primary responsibility for production safety to ensure the safe and stable operation of production facilities. At the same time, it will further strengthen training and emergency response capability building, ensuring that the "five aspects", namely production safety responsibility, management, investment, training and emergency rescue, are in place, to ensure that the Company's system gets no man-made production safety accidents and can continue to play its supporting role as a peak-shaving power source.

3) In terms of fuel procurement: In 2026, the Company's natural gas procurement price will mainly depend on changes in the international fuel market and the sales prices of the Company's existing suppliers. Affected by the geopolitical conflict in the Middle East, the overall price level of the Company's natural gas procurement shall be expected to remain high in 2026. In addition, the single source of the Company's gas supply has a negative impact on supply stability, flexibility in gas volume coordination, and gas price economy. At the same time, with the improvement of spot power trading rules and capacity electricity price levels, as well as the successive commissioning of power sources around Shenzhen, higher requirements have been placed on the stability and flexibility of natural gas supply. The Company will continue to optimize upstream cooperative relationships, work together to ensure gas supply under the single-source situation, and make every effort to reduce natural gas procurement costs while ensuring the gas demand for power production.

4) Regarding the land of Nanshan Power Plant: In March 2026, the Company once again learned from the official website of the Planning and Natural Resources Bureau of Shenzhen Municipality about the "Notice of the Planning and Natural Resources Bureau of Shenzhen Municipality on Issuing the <Shenzhen 2026 Annual Land Consolidation Plan>" (hereinafter referred to as the "Land Consolidation Plan"). According to the relevant content of the "Land Consolidation Plan" and its attached schedules, the Shenzhen 2026 Annual Land Consolidation Plan still includes the land reservation and acquisition of the Company's subsidiary, Nanshan Power Plant, and related content, with no substantive changes compared to the land consolidation plans disclosed in recent years. The Company will continue to contact relevant departments to understand the specific situation, conduct in-depth discussions with legal counsel, continue to pay attention to and promptly reflect our Company's opinions and demands to relevant government departments, and do its utmost to protect the legitimate rights and interests of the listed Company and all shareholders.

The Company reminds investors to pay attention to the above-mentioned major risks and other risks that the Company may face, and to make prudent and rational investment decisions.

12. Particulars about Researches, Visits and Interviews Received during the reporting period

☑Applicable □Not applicable

Reception date	Reception location	Means of reception	Visitor type	Visitor	Main content discussed and information provided	Basic information index of the survey
May 15, 2025	Value Online Platform	Online communication on the network platform	Individuals, institutions	13	Inquiries about the Company's performance, business initiatives, competitive advantages, industry development prospects, transformation progress, investment project	The Company provided timely written replies to all inquiries

					progress, etc.	
January-December 2025	Headquarters office area of Company	Field survey	Individual	6	Receiving visits from individual investors, etc.	The Company received all visitors in accordance with laws and regulations
January-December 2025	Easy-interactive platform, investor email	Written inquiry	Individual	48	Inquiries about the Company's performance, transformation progress, future plans, progress in the construction of energy storage power stations, and land-related matters, etc.	The Company provided timely written replies to all inquiries
January-December 2025	Telephone communication	Telephone communication	Individual	48	Inquiries about the Company's production and operation, performance, transformation progress, unit listing progress, and land-related matters, etc.	The Company replied to all inquiries in accordance with laws and regulations

13. Formulation and Implementation of Market Value Management System and Valuation Improvement Plan

Whether the Company has formulated a market value management system.

□Yes No☑

Whether the Company has disclosed plans for valuation enhancement.

□Yes No☑

14. Implementation of the Action Plan of "Double Improvement of Quality Return".

Whether the company has disclosed the announcement of the action plan of "double improvement of quality return".

□Yes No☑

IV. Corporate Governance, Environment and Society

1. General Situation of corporate governance

During the reporting period, in accordance with the relevant provisions of the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks, and other laws, regulations, normative documents, and the Company's Articles of Association, the Company adjusted its corporate governance structure, no longer establishing a Board of Supervisors and supervisors. At the same time, by improving the modern enterprise management system, it continuously enhanced the level of standardized governance and refined management, effectively safeguarding the legitimate rights and interests of the listed Company, investors, and employees.

(1) Shareholders' meeting: The Company strictly convenes shareholders' meetings in accordance with legal procedures to ensure that shareholders shall exercise their rights in accordance with the law. During the reporting period, the Company held 1 regular shareholders' meeting and 2 extraordinary shareholders' meetings, and seriously studied and deliberated on major matters requiring shareholders' meeting decisions. The convening and holding procedures, attendees, and the qualifications of the convener, as well as the voting procedures and results of the Company's shareholders' meetings, all comply with the relevant provisions of the Company Law, the Securities Law, the Rules for Shareholders' Meetings of Listed Companies, and other laws, regulations, normative documents, and the Articles of Association of the Company. There is no situation where major shareholders and their related parties occupy or transfer the Company's funds, assets, and other resources in any form.

(2) Board of Directors: The Company's Board of Directors adheres to standardized operational management, strengthens its own construction through multiple measures, and improves the level of standardized operation and scientific decision-making of the Board of Directors. During the reporting period, the Board of Directors held 2 regular meetings and 6 ad hoc meetings, and seriously studied and deliberated on major matters within its scope of authority. The four Special Committees under the Board of Directors, namely the Strategy and Investment Management Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee, all seriously studied and deliberated on relevant matters according to their respective duties and put forward opinions and suggestions. By giving full play to the active role of each special committee in major investment decisions, important personnel adjustments, standardized remuneration management, internal audit, and risk control, the scientific nature of the Company's decision-making and the standardization of its management are effectively guaranteed. The Company's independent directors are diligent and responsible. They hold special meetings for independent directors as required to deliberate on matters such as major related party transactions. By giving full play to their supervisory and balancing role, they effectively safeguard the legitimate rights and interests of the Company and its minority shareholders.

(3) Board of Supervisors: The Company's Board of Supervisors, in accordance with the provisions of relevant laws and regulations, conscientiously fulfilled its supervisory duties in a responsible attitude towards the Company and its shareholders. During the reporting period, the Board of Supervisors held 2 regular meetings and 2 ad hoc meetings, supervising and inspecting important matters such as the Company's financial situation, major decision-making matters, internal control, and standardized management, and expressing its opinions. At the same time, the Board of Supervisors also fulfilled its supervisory duties by attending shareholders' meetings, being present at Board of Directors meetings, and organizing field inspections of the Company's subsidiaries to gain an in-depth understanding of the Company's operating and management situation. In September 2025, in accordance with the provisions of the Company Law, the CSRC's "Transitional Arrangements for the Implementation of Supporting Institutional Rules for the New <Company Law>", the "Guidelines for the Articles of Association of Listed Companies" and other relevant laws, regulations, and normative documents, the Company held the first extraordinary general meeting of 2025. The meeting deliberated and approved the "Proposal on Changing the Business Scope and Amending the Company's <Articles of Association>", comprehensively revising the Company's Articles of Association and adjusting the corporate governance structure accordingly. The Board of Supervisors and

supervisors are no longer established, and the Audit Committee of the Board of Directors shall exercise the functions and powers of the Board of Supervisors as stipulated in the Company Law.

(4) Management: During the reporting period, the Company's management strictly followed the requirements of relevant laws and regulations and the Company's Articles of Association, conscientiously implemented the decisions of the shareholders' meetings and the Board of Directors, and actively organized and carried out the Company's various production, operation, and management activities. It continuously improved the office meeting system and internal control system, consistently optimized work processes and decision-making procedures, and adhered to the working principles of rational division of labor and enhanced cooperation, as well as the principle of collective decision-making on major matters. This has continuously enhanced the Company's management level and fully guaranteed the achievement of the annual business objectives.

(5) Information disclosure and investor relations management: The Company's Board of Directors strictly adheres to the requirements of the Administrative Measures for the Information Disclosure of Listed Companies, the Rules Governing the Listing of Stocks, and other rules and normative documents, and conscientiously fulfills its information disclosure obligations. During the reporting period, the Company completed the preparation and disclosure of periodic and ad-hoc reports in accordance with laws and regulations, disclosing a total of 96 announcements throughout the year, striving to provide investors with a comprehensive understanding of the Company's production, operation, management, and significant matters. The Company strictly follows the requirements of the Guidelines for Investor Relations Management of Listed Companies, the Guidelines of the Shenzhen Stock Exchange for the Self-Regulation of Listed Companies No. 1 - Standardized Operation of Main Board Listed Companies, and other normative documents to manage investor relations. Through diversified channels such as performance briefings, on-site investor visits, investor email, investor hotlines, and the Easy-interactive platform of Shenzhen Stock Exchange, the Company maintains standardized and smooth communication with investors, continuously improving its investor relations management.

(6) Inside information management: The Company strictly complies with the requirements of the Administrative Measures for the Information Disclosure of Listed Companies, the Regulatory Guidelines for Listed Companies No. 5 - Management System for Registrants of Inside Information of Listed Companies, and other regulations and normative documents to regulate its inside information management. It diligently submits memoranda on the progress of major events and archives of inside information knowers in accordance with relevant regulations. During the reporting period, there were no instances of inside information leakage at the Company.

(7) Internal control and standardized management: During the reporting period, the Company attached great importance to the construction of internal control, and solidly carried out internal control self-evaluation and internal audit work. Through scientific and rigorous processes, it comprehensively assessed the effectiveness of internal control, accurately identified potential risk points, and ensured the continuous optimization and improvement of the internal control system. At the same time, the Company vigorously carried out the construction of a compliance system, effectively improving the overall level of standardized management of the Company, and building a solid line of defense to prevent operational and management risks.

Does there exist any difference in compliance with the corporate governance , the PRC Company Law and the relevant provisions of CSRC

□Yes No☑

There exist no difference in compliance with the corporate governance , the PRC Company Law and the relevant provisions of CSRC.

2. Independence and Completeness in Business, Personnel , Assets, Organization and Finance

The Company has no controlling shareholder. The Company is completely independent from its major shareholders in terms of personnel, assets, finance, business, and organization, and has the ability to make independent decisions and operate on its own.

(1) Personnel independence: The Company has an independent human resources management system and a salary and welfare system. All senior management personnel of the Company are full-time management personnel and do not hold any administrative

positions other than director or supervisor in shareholder entities. Within the scope approved by the Board of Directors, the Company independently recruits and dismisses employees according to its operational and management needs. The Company has established a relatively complete human resources management system and has independent management authority.

(2) Asset independence: The Company owns independent production facilities and auxiliary systems, land use rights and property rights, as well as office facilities and equipment. Within the scope authorized by the shareholders' meeting and the Board of Directors, it has the power to independently purchase and dispose of assets.

(3) Financial independence: The Company has an independent financial management department and accounting system, is equipped with independent financial management and accounting personnel, has established a relatively complete financial management system, and has independent bank accounts and tax accounts. Within the scope authorized by the shareholders' meeting and the Board of Directors, the Company has independent financial decision-making power, and there are no instances of major shareholders interfering with financial management or misappropriating funds.

(4) Business independence: The Company independently carries out its production and business activities and has established an independent and complete system for production, procurement, sales channels, and management. Within the scope authorized by the shareholders' meeting and the Board of Directors, it operates independently, manages itself, and is responsible for its own profits and losses.

(5) Institutional independence: In accordance with the needs of production, operation, and management, and following modern enterprise management standards, the Company has established a relatively complete organizational structure and management framework. There are no instances of shareholders interfering with the establishment and operation of the Company's institutions, nor does it share organizational structures with shareholders.

3. Horizontal competition

□Applicable ☑Not applicable

4. Directors and senior management

(1) Basic situation

Name	Gender	Age	Position	Incumbency status	Commencement of term	Expiration of term	Number of shares held at the beginning of the period (shares)	Number of shares increased in the current period (shares)	Number of shares reduced in the current period (shares)	Other increases/decreases (shares)	Number of shares held at the end of the period (shares)	Reasons for increase or decrease in shares
KONG Guoliang	Male	42	Chairman	Incumbent	September 13, 2022	June 19, 2027	0	0	0	0	0	
HU Ming	Male	55	Vice Chairman	Incumbent	September 13, 2021	June 19, 2027	0	0	0	0	0	
HUANG Qing	Male	54	Director	Incumbent	June 3, 2019	June 19, 2027	0	0	0	0	0	
CHEN	Mal	52	Director	Incum	June 20,	June 19,	0	0	0	0	0	

Yedong	e			bent	2024	2027					
LIN Yongzheng	Male	35	Director	Incumbent	February 27, 2026	June 19, 2027	0	0	0	0	0	
			Deputy General manager	Incumbent	February 2, 2026	June 19, 2027	0	0	0	0	0	
HUANG Xiqin	Female	54	Independent Director	Incumbent	August 2, 2022	June 19, 2027	0	0	0	0	0	
CHEN Yongchong	Male	50	Independent Director	Incumbent	February 27, 2026	June 19, 2027	0	0	0	0	0	
NING Jie	Male	42	Independent Director	Incumbent	June 20, 2024	June 19, 2027	0	0	0	0	0	
LI Chao	Male	54	Deputy General manager	Incumbent	September 18, 2023	June 19, 2027	0	0	0	0	0	
TAO Lin	Male	58	Deputy General manager	Incumbent	September 18, 2023	June 19, 2027	0	0	0	0	0	
ZHANG Xiaoyin	Male	38	Chief Financial Officer	Incumbent	June 13, 2022	June 19, 2027	0	0	0	0	0	
ZOU Yi	Male	52	Secretary to the Board of Directors	Incumbent	April 26, 2021	June 19, 2027	0	0	0	0	0	
CHEN Yuhui	Male	60	Director	Resigned	August 28, 2017	September 30, 2025	0	0	0	0	0	
			General manager	Resigned	August 11, 2017	September 30, 2025	0	0	0	0	0	
WU Guowen	Male	60	Director	Resigned	April 25, 2016	June 11, 2025	0	0	0	0	0	
			Executive Deputy General Manager	Resigned	April 1, 2016	June 11, 2025	0	0	0	0	0	
DU Wei	Male	70	Independent Director	Resigned	November 11, 2019	February 27, 2026	0	0	0	0	0	
Total	--	--	--	--	--	--	0	0	0	0	0	--

Were there any departures of directors and senior management during their term of office in the reporting period

☑Yes□ No

On June 11, 2025, the Company and its Board of Directors received a written resignation report from Mr. WU Guowen, Director and Executive Deputy General Manager. Mr. WU Guowen resigned from his positions as Director and Executive Deputy General

Manager of the Company, as well as a member of the Strategy and Investment Management Committee of the 10th Board of Directors, due to reaching the statutory retirement age. His resignation report became effective from the date of delivery.

On September 30, 2025, the Company and its Board of Directors received a written resignation report from Mr. CHEN Yuhui, Director and General Manager. Mr. CHEN Yuhui resigned from his positions as Director and General Manager of the Company, as well as a member of the Strategy and Investment Management Committee of the 10th Board of Directors, due to reaching the statutory retirement age. His resignation report became effective from the date of delivery.

In January 2026, Mr. DU Wei applied to resign from his position as an independent director of the 10th Board of Directors of the Company upon the expiration of his term of office, and concurrently from his positions as the convener and member of the Nomination Committee and a member of the Remuneration and Appraisal Committee of the 10th Board of Directors. Mr. DU Wei's resignation would cause the proportion of independent directors in the Company's Board of Directors and its special committees to fail to comply with the provisions of relevant laws and regulations. In accordance with the Administrative Measures for Independent Directors of Listed Companies and other relevant regulations, his resignation report would take effect after the Company's shareholders' meeting elects a new independent director. On February 27, 2026, the Company held the first Extraordinary General Meeting of 2026, which reviewed and approved the Proposal on the By-election of an Independent Director for the 10th Board of Directors of the Company, electing Mr. CHEN Yongchong as an independent director of the 10th Board of Directors of the Company. Mr. DU Wei's resignation report officially took effect.

Changes in directors and senior management of the Company

☑Applicable □Not applicable

Name	Positions	Types	Date	Reason
WU Guowen	Director,Executive Deputy General Manager	Dimission	June 11, 2025	Retired
CHEN Yuhui	Director, General Manager	Dimission	September 30, 2025	Retired
LIN Yongzheng	Deputy General manager	Employment	February 2, 2026	
DU Wei	independent director	Dimission	February 27, 2026	Personal reasons
LIN Yongzheng	Director	Elected	February 27, 2026	
CHEN Yongchong	independent director	Elected	February 27, 2026	

(2) Posts holding

The professional background and main work experience of the Company's incumbent directors, supervisors and senior officers, as well as their main responsibilities currently

1) Members of the Board of Directors

Mr. KONG Guoliang: Born in 1983, a member of the CPC, holds a master's degree in finance from the Central University of Finance and Economics, and is a Certified Public Accountant and an economist. He has served as a stock and certificate affairs manager and securities affairs representative at Shenzhen Zhenye (Group) Co., Ltd.; a senior manager and deputy director of the Investment Department at Shenzhen Capital Holdings Co., Ltd.; and the director of the Capital Operation Department, director of the Investment and Development Department II, director of the Strategic Research Department (Office of the Board of Directors) (director), and secretary of the Board of Directors at Shenzhen Capital Operation Group Co., Ltd. He has also been a director of Shenzhen Zhenye (Group) Co., Ltd. and China International Marine Containers (Group) Co., Ltd., general manager of Shenzhen Pingwen Development Investment Co., Ltd., and chairman of Shenzhen Yuanzhi Culture Holding Co., Ltd. He currently serves as the chairman of Shenzhen Energy Corporation, a director of Shenzhen Energy (Hong Kong) International Co., Ltd., and a director of HONG KONG NAM HOI

(INTERNATIONAL) LTD He has been the chairman of the Company since September 2022 and the secretary of the Party Committee of the Company since November 2022.

Mr. HU Ming: Born in 1970, a member of the China National Democratic Construction Association, holds a master's degree and is a senior engineer. From March 2003 to December 2019, he held positions in relevant government units such as the Housing and Construction Bureau and the Audit Bureau of Nanshan District. From January 2020 to August 2021, he served as a director and general manager of Shenzhen Dashahe Construction Investment Co., Ltd. and a director and general manager of Shenzhen Nanshan Anju Construction and Development Co., Ltd. Since August 2021, he has been a director and general manager of Shenzhen Guangju Energy Co., Ltd., and has been the vice chairman of the Company since September 2021.

Mr. HUANG Qing: Born in 1971, a member of the CPC, an economist, holds a master's degree in economics, and graduated from Wuhan University with a major in national economic planning and management. He has served as deputy director and director of the General Office of the Shenzhen Municipal Government, a deputy-department-level secretary of the General Office of the Shanxi Provincial Government, deputy director and a member of the Party Leadership Group of the Guangzhou Office of the Shanxi Provincial Government, and deputy general manager of Shenzhen Capital Holdings Co., Ltd. He is currently the chairman of Shenzhen Financing Leasing (Group) Co., Ltd. From June 2019 to present, he has served as a director of the Company.

Mr. CHEN Yedong: Born in 1973, a member of the CPC, holds a degree of Master of Business Administration from Zhongnan University of Economics and Law, and is a senior economist. He has served as a senior manager of the Strategic Research Department, deputy director of the Strategic Research Department, director of the Asset Management Department, and director of the Risk Control Department at Shenzhen Capital Holdings Co., Ltd., as well as the chairman of the Board of Supervisors and secretary of the Party Committee at Shenzhen Clou Electronics Co., Ltd. He has been the deputy secretary of the Party Committee of the Company since June 2023 and a director of the Company since June 2024.

Mr. LIN Yongzheng: Born in 1990, holds a master's degree in wealth management from Queen Mary University of London. He joined the planning department of Shenzhen Guangju Energy Co., Ltd. in 2013. He has served as a supervisor of Shenzhen Nanshan Petroleum Co., Ltd., Shenzhen Shennan Gas Co., Ltd., Shenzhen Guangju Industrial Co., Ltd., Shenzhen Guangju Yida Hazardous Chemicals Warehousing Co., Ltd., and Shenzhen Guangju Yisheng Petrochemical Storage and Transportation Co., Ltd.; deputy manager of the planning department of Shenzhen Guangju Energy Co., Ltd.; supervisor of Shenzhen Guangju Real Estate Co., Ltd., Shenzhen Yihe Investment Industrial Co., Ltd., and Shenzhen Juxin Investment Industrial Co., Ltd. From January 2021 to January 2026, he served as the deputy general manager of Shenzhen Zhicheng Energy Cloud Data Center Co., Ltd. He has been a director and deputy general manager of the Company since February 2026.

Ms. HUANG Xiqin: Born in 1971, holds a Bachelor of Laws and Master of Economics from the Party School of the CPC Central Committee, and an EMBA from the Guanghua School of Management, Peking University. She started her career in September 1992. From September 1992 to May 1998, she served as an appraiser and manager at Shenzhen International Real Estate Consulting Co., Ltd. From November 2001 to January 2025, she was the chairwoman of Guangdong Guozhonglianhang Asset Appraisal, Land and Real Estate Valuation, and Planning Consulting Co., Ltd. Since January 2025, she has been a director of Guangdong Guozhonglianhang Asset Appraisal, Land and Real Estate Valuation, and Planning Consulting Co., Ltd. Since May 1998, she has been the executive director of Guozhonglian Asset Appraisal and Land & Real Estate Valuation Co., Ltd. Since December 2000, she has been the chairwoman of Guozhonglian Construction Engineering Management Consultant Co., Ltd. Since February 2015, she has been a director of Beijing Guozhonglian Auction Co., Ltd. Since January 2022, she has also served as an external director of Guangdong Construction Engineering Group Holding Co., Ltd. She has been an independent director of the Company since August 2022.

Mr. CHEN Yongchong: Born in 1975, a member of the CPC, a researcher, holds a doctoral degree in materials science from Beihang University, an Innovation Leader of the Royal Academy of Engineering, and a Sichuan Tianfu Talent. He has served as a postdoctoral fellow at Peking University, a professor at Shandong University of Science and Technology, head of the Energy Storage Technology Group at the Institute of Electrical Engineering of the Chinese Academy of Sciences, a visiting scholar at the University of Debrecen, a professor at the University of Chinese Academy of Sciences, and deputy director of the Institute of Electrical Engineering of the Chinese Academy of Sciences. He is currently the director of the Green Energy Storage Research Institute at the

Energy Internet Research Institute, Tsinghua University, Sichuan. He also serves as the executive chairman of the China International Energy Storage Conference, deputy secretary-general/deputy director of the Energy Storage Application Branch of the China Industrial Association of Power Sources, a member of the National Photovoltaic Energy Storage Demonstration and Verification Center Committee, deputy director of the National Technical Committee on Standardization of Alkaline Storage Batteries, founder of HAWAGA Energy Storage Technology (Chengdu) Co., Ltd., and a member of the editorial boards of the journals Chinese Journal of Power Sources, Electrical Age, and Journal of Energy Chemistry. He has been an independent director of the Company since February 2026.

Mr. NING Jie: Born in 1983, a member of the CPC, holds a Bachelor of Laws and a Bachelor of Management from the School of Law, Southwest University of Political Science and Law. From September 2005 to July 2008, he worked at the Shenzhen Intermediate People's Court. From July 2008 to December 2008, he worked at Zhong Lun Law Firm (Shenzhen). From December 2008 to February 2012, he was the manager of the Legal Department at Shenzhen Merchants Real Estate Consultant Co., Ltd. From February 2012 to February 2015, he worked at AllBright Law Offices (Shenzhen). From September 2020 to February 2024, he was an executive director of Pak Tak International Limited. From January 2022 to August 2023, he also served as an independent director of Min Fu International Holding Co., Ltd. He has been a senior partner at Guangdong Ganglian Law Firm since February 2015. He has been an independent director of the Company since June 2024.

2) Senior management

For the resume of Deputy General Manager LIN Yongzheng, see the aforementioned director's resume.

Mr. LI Chao: Born in 1971, holds a master's degree in business administration from Macau University of Science and Technology, and is a senior accountant. He started his career in July 1994 and has served as a project manager in the audit department of Shenzhen Dahua Certified Public Accountants, a finance manager at Compaq Computer Technologies (China) Co., Ltd., and a finance director at Hong Kong China United Power Finance Co., Ltd. He joined Shenzhen Nanshan Power Co., Ltd. in February 2001 and has served as assistant to the director, director, and deputy chief economist and manager of the Corporate Development Department, as well as assistant to the general manager. He has been the deputy general manager of the Company since September 2023, concurrently serving as the chairman of Shenzhen Server Energy Co., Ltd. since September 2023, chairman of Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.. since April 2024, and a director of Shenzhen New Power Industrial Co., Ltd. since September 2025.

Mr. TAO Lin: Born in 1967, holds a bachelor's degree in power systems and automation from Shanghai Jiao Tong University and a master's degree in business administration from the School of Economics and Management at Tsinghua University, and is an economist. He started his career in July 1989 and has served as a production officer of the Youth League Committee of the Dalian Electric Power Bureau and an on-site secretary of the office of Shenzhen Huaneng Economic Development Company. He joined Shenzhen Nanshan Power Co., Ltd. in January 1992 and has served as a secretary, director, and secretary of the Board of Directors of the office, general manager of Shenzhen Xiefu Oil Supply Co., Ltd., general manager of Zhongshan Power Co., Ltd. and Zhongshan Zhongfa Power Co., Ltd., deputy chief economist of the Company, and assistant to the general manager. He has been the deputy general manager of the Company since September 2023, concurrently serving as the vice chairman of Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. since September 2023, a director of Shenzhen Nanshan Power Xiwan Energy (Zhongshan) Co., Ltd. since July 2024, and a director of Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. since June 2025.

Mr. ZHANG Xiaoyin: Born in 1987, a member of the CPC, holds a master's degree in business administration from Wuhan University, and is a senior accountant. He also holds professional qualifications including Chinese Certified Public Accountant, Certified Practising Accountant (Australia), Certified Tax Agent, Certified Public Valuer, and Financial Risk Manager (FRM). He started his career in October 2008 and has served as an auditor in the financial services group of Ernst & Young Hua Ming LLP Shenzhen Branch, a financial accountant in the finance and accounting department of Wanlian Securities Co., Ltd., a senior manager of the financial management department at China Resources SZITIC Trust Co., Ltd. and concurrently the head of accounting and supervisor of China Resources Energy Service Co., Ltd., and an investment director (deputy director) of Yuanzhi Venture Capital (Investment and Development Department II) at Shenzhen Capital Holdings Co., Ltd. He has been the chief financial officer of the Company since June 2022.

Mr. ZOU Yi: Born in 1973, a member of the CPC, holds a bachelor's degree in finance from Zhongnan University of Economics and Law and a master's degree in economics from Zhongnan University of Economics and Law, and is an economist. From July 1994 to September 2007, he worked at the headquarters of Shenzhen Energy Corporation, where he served as a business supervisor in the Finance Department, deputy director of the Funding Office, and business director of the Office of the Secretary of the Board of Directors. From September 2007 to December 2017, he was the director of the Funding Department at Shenzhen Energy Finance Co., Ltd. From December 2017 to July 2019, he was the deputy general manager of Shenzhen Energy Finance Co., Ltd. From August 2017 to November 2018, he also served as a director of Huizhou Shenneng Fengda Power Co., Ltd. From August 2019 to April 2021, he was the director of the Office of the Board of Directors of the Company, and from July 2020 to April 2021, he was also the director of the Administrative Management Department of the Company. He has been the secretary of the Board of Directors of the Company since April 2021, concurrently serving as the director of the Office of the Board of Directors since December 2023, and chairman of Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. since June 2025.

The controlling shareholder and actual controller simultaneously serve as the chairman and general manager of the listed Company

□Applicable ☑Not applicable

Office taking in shareholder companies

☑Applicable □Not applicable

Name of the persons in office	Names of the shareholders	Titles engaged in the shareholders	Starting date of office term	Expiry date of office term	Does he /she receive remuneration or allowance from the shareholder
KONG Guoliang	Shenzhen Energy Corporation	Chairman	November 4, 2022		No
	HONG KONG NAM HOI (INTERNATIONAL) LTD	Director	September 9, 2022		No
HUANG Qing	Shenzhen Energy Corporation	Director	April 8, 2019		No

Offices taken in other organizations

☑Applicable □Not applicable

Name of incumbent	Other entity name	Positions held in other entities	Commencement of term	Expiration of term	Whether to receive remuneration allowance in other entities
KONG Guoliang	Shenzhen Energy (Hong Kong) International Co., Ltd.	Director	April 24, 2023		No
HU Ming	Shenzhen Guangju Energy Co., Ltd.	Director	August 20, 2021		Yes
		General manager	August 4, 2021		
HUANG Qing	Shenzhen Capital Holdings Co., Ltd.	Deputy General manager	September 01, 2016	March 13, 2026	Yes
	Shenzhen Environment & Water Investment Group Co., Ltd.	Director	December 04, 2020	January 09, 2026	No
	Shenzhen Hi-tech Investment Group Co., Ltd.	Director	March 09, 2018		No
	Shenzhen Institute of Building Research Co., Ltd.	Director	January 31, 2018	April 24, 2026	No

	Shenzhen Yixin Investment Co., Ltd.	Chairman	October 10, 2022		No
	CR SZITIC Investment Co., Ltd.	Director	April 23,2021		No
	Shenzhen Enterprise Service Group Co., Ltd.	Director	April 28, 2021		No
	Shenzhen Capital International Co., Ltd.	Director	June 22, 2017	July 29, 2025	No
	Shenzhen Yuanzhi Ruixin Equity Management Co., Ltd.	Chairman	January 26, 2024		No
	Shenzhen Huijin Intelligent Industry Co., Ltd.	Chairman	April 07, 2024		No
	Shenzhen Financial Leasing (Group) Co., Ltd.	Chairman	March 13, 2026		Yes
HUANG Xiqin	Guozhonglian Asset Appraisal and Land & Real Estate Valuation Co., Ltd.	Executive Director	May 26, 1998		Yes
	Guozhonglian Construction Engineering Management Consultant Co., Ltd.	Chairman	December 13, 2000		Yes
	Guangdong Guozhonglianhang Asset Appraisal, Land and Real Estate Valuation, and Planning Consulting Co., Ltd.	Chairman	November 26, 2001	January 27, 2025	Yes
	Guangdong Guozhonglianhang Asset Appraisal, Land and Real Estate Valuation, and Planning Consulting Co., Ltd.	Director	January 27, 2025		Yes
	Beijing Guozhonglian Auction Co., Ltd.	Director	February 28, 2015		No
	Guangdong Construction Engineering Group Holding Co., Ltd.	External director	January 01, 2022		Yes
CHEN Yongchong	HAWAGA Energy Storage Technology (Chengdu) Co., Ltd.	Chief scientist, Director	May 2011		No
	Energy Storage Application Branch of China Industrial Association of Power Sources	Deputy Secretary-General/Deputy Director	May 2016		No
	China International Energy Storage	Executive chairman	March 2017		No

	Conference				
	Journal of Energy Chemistry	Member of the editorial board	January 2020		No
	Chinese Journal of Power Sources	Member of the editorial board	January 2023		No
	Energy Internet Research Institute, Tsinghua University, Sichuan	Director of the Green Energy Storage Research Institute	August 2023		Yes
	National Photovoltaic Energy Storage Demonstration and Verification Center Committee	Member	August 2023		No
	National Technical Committee on Standardization of Alkaline Storage Batteries	Deputy Director	January 2025		No
	Electrical Age	Member of the editorial board	September 2025		No
NING Jie	Guangdong Ganglian Law Firm	Senior Partner	February 2, 2015		Yes

Penalties imposed by securities regulators in the past three years on current directors and senior officers as well as those who left their posts during the reporting period

□Applicable ☑Not applicable

(3) Remuneration of directors, supervisors and senior officers

Decision-making procedures, determination basis and actual payment of remuneration for directors and senior officers

1) Decision-making procedures: In accordance with the relevant provisions of the Company's Articles of Association, the remuneration of directors shall be decided by the shareholders' meeting, and the remuneration of senior officers shall be decided by the Board of Directors.

2) Determination basis: According to the Working System for Independent Directors, the Company provides remuneration to independent directors and determines the distribution standards. The Company has established the Management Measures for Remuneration and Appraisal of Senior Officers to determine the annual remuneration standards for the Company's senior officers, who are subject to an annual salary system. The Company's Board of Directors determines the actual remuneration that can be paid based on the appraisal results of the annual business performance indicators and the audit of senior officers. If a senior officer's position changes, is promoted, the value of the position changes, or for other special reasons, their remuneration plan will be re-determined based on the principle of "salary follows the position", and the remuneration will be calculated based on the position standard and the actual time in the position.

3) Actual payment: The Company pays remuneration in strict accordance with the decision-making procedures and determination basis for the remuneration of directors and senior officers. Expenses related to transportation, accommodation, research, investigation, and meeting attendance incurred by directors in the performance of their duties shall be borne by the Company.

Remuneration of directors and senior officers during the reporting period

Unit: RMB 10,000

Name	Gender	Age	Position	Incumbency	Total pre-tax	Whether to

				status	remuneration received from the Company	receive remuneration from related parties of the Company
KONG Guoliang	Male	42	Chairman	Incumbent	98.15	No
HU Ming	Male	55	Vice Chairman	Incumbent	0	Yes
HUANG Qing	Male	54	Director	Incumbent	0	Yes
CHEN Yedong	Male	52	Director	Incumbent	89.87	No
HUANG Xiqin	Female	54	Independent director	Incumbent	11.91	Yes
NING Jie	Male	42	Independent director	Incumbent	13.69	Yes
LI Chao	Male	54	Deputy General manager	Incumbent	89.87	No
TAO Lin	Male	58	Deputy General manager	Incumbent	92.74	No
ZHANG Xiaoyin	Male	38	Chief Financial Officer	Incumbent	0	Yes (Note)
ZOU Yi	Male	52	Secretary of the Board of Directors	Incumbent	81.17	No
CHEN Yuhui	Male	60	Director, General Manager	Resigned	77.74	No
WU Guowen	Male	60	Director, Executive Deputy General Manager	Resigned	51.80	No
DU Wei	Male	70	Independent director	Resigned	13.33	No
Total	--	--	--	--	620.27	--

Appraisal basis for the actual remuneration received by all directors and senior officers at the end of the reporting period	The remuneration of independent directors is determined according to the Company's independent director allowance standards. Non-independent directors and senior officers holding administrative management positions in the Company are appraised in accordance with the Company's relevant systems and their individual annual business performance responsibility statements.
Completion of appraisal for the actual remuneration received by all directors and senior officers at the end of the reporting period	The independent director allowances received by independent directors are not subject to appraisal. As of the end of the reporting period, according to the Company's Management Measures for Remuneration and Appraisal of Senior Officers, the performance appraisal and result application for non-independent directors and senior officers holding administrative management positions in the Company for the year 2024 have been completed. The performance appraisal for the year 2025 will be carried out at an appropriate time in 2026 based on the Company's relevant systems and performance completion.
Deferred payment arrangements for the actual remuneration received by all directors and senior officers at the end of the reporting period	None
Clawback situation for the actual remuneration received by all directors and senior officers at the end of the reporting period	None

Note: According to the Administrative Measures for the Seconded Chief Financial Officers of Shenzhen Capital Operation Group Co., Ltd., Mr. ZHANG Xiaoyin, the Company's Chief Financial Officer, receives his remuneration from Shenzhen Capital Operation Group Co., Ltd. His remuneration for 2025 is RMB 800,000.

Other circumstances

□Applicable ☑Not applicable

5. Performance of Duties by Directors During the Reporting Period

(1) Attendance of directors at Board meetings and shareholders' meetings

Attendance of directors at the Board of Directors and the General Meeting of Shareholders							
Name of Director	Number of times of attendance at the Board of Directors during the reporting period	Number of times of on-site attendance at the Board of Directors	Number of times of attendance at the Board of Directors by correspondence	Number of times of attendance at the Board of Directors by proxy	Number of times of absences from the Board of Directors	Have you failed to attend the meetings of Board of Directors in person for two consecutive times	Number of times of attendance at the General Meeting
KONG Guoliang	8	2	6	0	0	No	3
HU Ming	8	2	6	0	0	No	1
HUANG Qing	8	2	6	0	0	No	3
CHEN Yedong	8	2	6	0	0	No	3
HUANG Xiqin	8	2	6	0	0	No	3
NING Jie	8	2	6	0	0	No	3
CHEN Yuhui	6	2	4	0	0	No	2
WU Guowen	4	1	3	0	0	No	1
DU Wei	8	2	6	0	0	No	3

Explanation of failure to attend the board meeting in person twice in a row

During the reporting period, no director failed to attend two consecutive Board meetings in person.

(2) Directors' objections to related matters of the Company

Whether the director raises any objection to the relevant matters of the Company

□Yes No☑

During the reporting period, the directors did not raise any objection to the relevant matters of the Company.

(3) Other descriptions of directors' performance of duties

Whether the directors' suggestions on the Company have been adopted

☑Yes□ No

The director's statement on whether the relevant suggestions of the Company have been adopted or not

During the reporting period, all directors of the Company diligently performed their duties in strict accordance with the relevant regulations of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, as well as the Company's Articles of Association, Rules of Procedure for the Board of Directors, and other systems. They continuously monitored the Company's standardized operations and production and business activities. Based on the Company's actual situation, they conscientiously studied and reviewed the proposals submitted to the Board of Directors to ensure scientific decision-making and effectively safeguard the legitimate rights and interests of the Company and all shareholders.

6. Work of the Special Committees of the Board of Directors During the Reporting Period

Name of the Committee	Members	Number of meetings held	Convening date	Content of the meeting	Important comments and suggestions put forward	Other performance of duties	Details of the objections (if any)
Strategy and Investment Management Committee	KONG Guoliang, HU Ming, HUANG Qing, CHEN Yuhui, WU Guowen	3	March 14, 2025	1. To review the Proposal on the Company's Intention to Use Temporarily Idle Self-owned Funds for Cash Management.	All attending members had no objections and agreed to the proposal		
			April 21, 2025	1. To review the 2024 Performance Report of the Strategy and Investment Management Committee of the Board of Directors; 2. To review the Proposal on the Application for Comprehensive Financing Credit Facilities and Provision of Guarantees by the Company and Its Controlled Subsidiaries in 2025.	All attending members had no objections and agreed to all proposals of this meeting		
			May 16, 2025	1. To review the Proposal on Investing in Sichuan Ruinan Electric Power Construction Engineering Co., Ltd.	As related members Mr. KONG Guoliang, Mr. HUANG Qing, and Mr. CHEN Yuhui abstained from voting, the number of non-related members was less than three. The proposal was directly submitted to the Board of Directors for review		
	KONG Guoliang, HU Ming, HUANG Qing, CHEN Yuhui	1	August 20, 2025	1. To review the Proposal on Revising the Company's <Detailed Implementation Rules for the Strategy and Investment Management Committee of the Board of Directors> and Renaming It <Working Rules for	All attending members had no objections and agreed to the		

				the Strategy and Investment Management Committee of the Board of Directors>.	proposal		
Audit committee	HUANG Xiqin, HUANG Qing, NING Jie	8	January 24, 2025	1. To hear and discuss the Communication Letter from Certified Public Accountants to Those Charged with Governance submitted by Lixin Zhonglian Certified Public Accountants (Special General Partnership).	All attending members had no objections		
			April 18, 2025	1. To review the 2024 Performance Report of the Audit Committee of the Board of Directors; 2. To review the full text and summary of the 2024 Annual Report; 3. To review the Proposal on the 2024 Final Financial Accounts Report; 4. To review the Proposal on the Provision for Asset Impairment and Write-off of Bad Debts for 2024; 5. To review the Proposal on the Profit Distribution Plan for 2024; 6. To review the 2024 Internal Control Evaluation Report; 7. To review the 2024 Work Summary and 2025 Audit Plan of the Internal Audit Department; 8. To review the 2024 Performance Evaluation Report of the Accounting Firm; 9. To review the Report of the Audit Committee of the Board of Directors on the Supervision of the Accounting Firm's Performance in 2024.	All attending members had no objections and agreed to all proposals of this meeting		
			April 27, 2025	1. To review the First Quarter Report of 2025; 2. To hear the First Quarter Financial Final Accounts Report of 2025; 3. To hear the First Quarter Work Report of the Audit and Risk Control Department for 2025.	All attending members had no objections and agreed to all proposals of this meeting		
			August 19, 2025	1. To review the full text and summary of the 2025 Semi-Annual Report; 2. To review the Proposal on Revising the Company's <Detailed Implementation Rules for the Audit Committee of the Board of Directors> and Renaming It <Working Rules for the Audit Committee of the Board of Directors>;	All attending members had no objections and agreed to all proposals of this meeting		

				3. To hear the Semi-Annual Financial Final Accounts Report of 2025; 4. To hear the Second Quarter Work Report of the Audit and Risk Control Department for 2025.			
			October 23, 2025	1. To review the Third Quarter Report of 2025; 2. To hear the Third Quarter Financial Final Accounts Report of 2025; 3. To hear the Third Quarter Work Report of the Audit and Risk Control Department for 2025.	All attending members had no objections and agreed to all proposals of this meeting		
			November 03, 2025	1. To review the Proposal on the Selection Plan for the Audit Service Provider for 2025.	All attending members had no objections and agreed to the proposal		
			November 24, 2025	1. To review the Proposal on Appointing the Audit Firm for 2025 and Determining Its Remuneration; 2. To review the Proposal on Revising the Company's <Management System for the Selection and Appointment of Accounting Firms>; 3. To review the Proposal on Revising the Company's <Measures for Comprehensive Risk and Internal Control Management>; 4. To review the Proposal on Revising the Company's <Financial Management System>.	All attending members had no objections and agreed to all proposals of this meeting		
			December 19, 2025	1. To hear the Communication Letter from Certified Public Accountants to Those Charged with Governance submitted by ShineWing Certified Public Accountants (Special General Partnership), and to communicate on the 2025 annual audit work plan for the Company.	All attending members had no objections		
Nomination Committee	DU Wei, HU Ming, NING Jie	2	April 18, 2025	1. To review the 2024 Performance Report of the Nomination Committee of the Board of Directors.	All attending members had no objections and agreed to the proposal		
			August 19,	1. To review the Proposal on	All		

			2025	Revising the Company's <Detailed Implementation Rules for the Nomination Committee of the Board of Directors> and Renaming It <Working Rules for the Nomination Committee of the Board of Directors>.	attending members had no objections and agreed to the proposal		
Remuneration and Evaluation Committee	HUANG Xiqin, HUANG Qing, DU Wei	3	April 18, 2025	1. To review the 2024 Performance Report of the Remuneration and Appraisal Committee of the Board of Directors; 2. To review the Proposal on the Remuneration Plan for 2025.	All attending members had no objections and agreed to all proposals of this meeting		
			August 19, 2025	1. To review the Proposal on Revising the Company's <Detailed Implementation Rules for the Remuneration and Appraisal Committee of the Board of Directors> and Renaming It <Working Rules for the Remuneration and Appraisal Committee of the Board of Directors>; 2. To review the Proposal on the 2025 Business Performance Responsibility Statement for the Company's Senior Management.	All attending members had no objections and agreed to all proposals of this meeting		
			September 17, 2025	1. To review the Proposal on the 2024 Performance Appraisal Results and Remuneration Payment Plan for the Company's Senior Management.	All attending members had no objections and agreed to the proposal		

7. Work of the Audit Committee

Whether the Company has risks found by the Audit Committee during the supervision activities in the reporting period

□Yes No☑

The Audit Committee has no objection to the supervision matters during the reporting period.

8. Particulars about employees

(1) Number of staff, professional structure and educational background

Number of active employees of parent company at the end of the reporting period	220
Number of active employees of major subsidiaries at the end of the reporting period	85
Total number of active employees at the end of the reporting	305

period	
Total number of employees receiving remuneration in the current period	303
Number of retired employees whose the parent company and major subsidiaries have to bear the expenses	0
Professional composition	
Category	Number
Production staff	59
Salesperson	12
Technical staff	80
Financial staff	16
Administrative staff	138
Total	305
Education background	
Category	Number
Junior college and technical secondary school education	111
Bachelor's degree	160
Master's degree or above	34
Total	305

(2) Remuneration policy

The Board of Directors implements an annual remuneration accrual principle for the Company based on fixed basic salary + floating performance-based salary. The Chairman's remuneration is reviewed by the Board of Directors and submitted to the shareholders' meeting for approval. The remuneration plans for the General Manager and Deputy General Manager-level senior management are drafted by the Remuneration and Appraisal Committee of the Board of Directors and submitted to the Board of Directors for approval. The remuneration for other personnel is managed by the Company's management team under the principles of "Salary Based on Position," "Pay for Work," and "performance-oriented." Within the annual remuneration limit approved by the Board of Directors, the Company strictly controls salary costs, establishes a salary incentive mechanism linked to employee performance, formulates salary standards, distribution plans, and appraisal and reward/penalty measures for personnel at all levels, and is responsible for their implementation, fully leveraging the incentive role of remuneration.

(3) Training plan

The Company attaches great importance to employee training and has established a relatively complete training system. By strengthening employee training, it aims to enhance employees' job skills and overall qualities to better meet the Company's operational and management needs for talent, while also cultivating reserve talent for the Company's sustainable development. During the reporting period, in terms of safety training, the Company organized safety education and training at all levels, emergency rescue drills, and emergency response capability training in accordance with laws and regulations such as the Work Safety Law, to improve the safety awareness, accident prevention capabilities, and professional skills of cadres and employees at all levels. In terms of job training, a combination of external assignments and internal training was adopted to conduct certification training for key business and technical positions, improving employees' job performance capabilities. Relying on the gas turbine simulation training base, the practical operation and emergency response capabilities of power plant operation personnel were enhanced. In terms of party member training and learning, the Company's party organizations at all levels have solidly promoted the "First-Topic" learning system and the "Three Meetings and One Class" system. By integrating online and offline resources, a regular and diversified education and training system has been built, and innovative theme activities such as the "Party Building+" model and "Walking Party Classes" have been explored to strengthen the tempering of party spirit and practical training for party members.

(4) Outsourcing of labor

□Applicable ☑Not applicable

9. The Company's Profit Distribution and Conversion of Capital Reserves into Share Capital

The formulation, implementation or adjustment of profit distribution policies, especially cash dividend policies, during the reporting period

☑Applicable □Not applicable

The Company's profit distribution policy

(I) The Company shall implement a continuous and stable profit distribution policy, comprehensively considering reasonable investment returns for investors and the long-term development of the Company. The Company's profit distribution shall not exceed the scope of cumulative distributable profits, shall not impair the Company's ability to continue as a going concern, and shall adhere to the principles of distribution in legal order and no distribution in case of unrecovered losses.

(II) The Company's profit distribution may take the form of cash, stock, a combination of cash and stock, or other methods permitted by laws and regulations. Among them, the cash dividend policy target is the residual dividend policy.

(III) Conditions for cash dividends

1. The distributable profit for the year or half-year is positive and cash flow is abundant, and the implementation of cash dividends will not affect the Company's subsequent continuous operation;

2. The audit firm issues a standard unqualified audit report on the Company's financial report for that year or half-year;

3. No major investment plans or major cash expenditures have occurred (excluding projects funded by raised capital).

Major investment plans or major cash expenditures refer to: The cumulative expenditure for external investment, asset acquisition, or equipment purchase by the Company in the next twelve months reaches or exceeds 30% of the Company's latest audited total assets.

(IV) On the condition that a sufficient cash dividend distribution is ensured, the Company may use stock dividends for profit distribution based on the cumulative distributable profit, capital reserves, and cash flow status, while ensuring the minimum cash dividend ratio and a reasonable share capital scale, to keep the expansion of share capital in line with performance growth.

(V) While complying with the Company's profit distribution principles, meeting the conditions for cash dividends, and ensuring the Company's normal operation and long-term development, the Company should actively distribute dividends in cash. When the net profit for the latest fiscal year is positive, and the undistributed profits at the end of the year in both the consolidated and parent Company financial statements are positive, the cumulative cash dividend amount for the last three fiscal years shall not be less than 30% of the average annual net profit for the last three fiscal years or not less than RMB 50 million.

(VI) The Company's Board of Directors may propose an interim cash dividend based on the Company's profitability and funding needs. When the Company holds its annual shareholders' meeting to review the annual profit distribution plan, it may review and approve the conditions, maximum ratio, and maximum amount for the next year's interim cash dividend. The upper limit for the next year's interim dividend reviewed at the annual shareholders' meeting shall not exceed the net profit attributable to shareholders of the listed Company for the corresponding period. The Board of Directors will formulate a specific interim dividend plan based on the resolution of the shareholders' meeting and in compliance with the profit distribution conditions.

(VII) After the Company's shareholders' meeting makes a resolution on the profit distribution plan, or after the Company's Board of Directors formulates a specific plan based on the conditions and upper limit for the next year's interim dividend approved at the annual shareholders' meeting, the distribution of dividends (or shares) must be completed within 2 months.

(VIII) The Company may not distribute profits under the following circumstances.

1. The audit report for the most recent year is a non-unqualified opinion or an unqualified opinion with a paragraph on material uncertainty related to going concern.

2. The asset-liability ratio is higher than 65%.

Special description of cash dividend policy	
Whether it complies with the provisions of the Articles of Association or the requirements of the resolutions of the shareholders' meeting:	Yes
Whether the dividend standard and proportion are explicit and clear:	Yes
Whether the relevant decision-making procedures and mechanisms are complete:	Yes
Whether the independent directors have performed their duties and played their due role:	Yes
If the Company does not distribute cash dividends, specific reasons, as well as the measures to be taken to enhance investor returns should be disclosed:	Not applicable
Whether the minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests have been fully protected:	Yes
Whether the cash dividend policy is adjusted or changed, and whether the conditions and procedures are compliant and transparent:	Not applicable

During the reporting period, the Company made a profit and the profit available to shareholders of the parent company was positive, but no cash dividend distribution plan was put forward.

□Applicable ☑Not applicable

Profit distribution and capitalization of capital reserve during the reporting period

☑Applicable □Not applicable

Bonus shares for every ten shares(Shares)	0
Cash dividend for every ten shares (Yuan)(Tax-included)	0.32
A total number of shares as the distribution basis(shares)	602,762,596
Cash dividend amount (yuan, including tax	19,288,403.07
Other means (such as repurchase of shares) cash dividend amount (yuan)	0.00
Total cash dividend (yuan, including tax)	19,288,403.07
Distributable profit (yuan)	347,646,697.47
Proportion of cash dividend in the distributable profit	100%
Cash dividend distribution policy	
When the company's development stage is in the growth period and there are major capital expenditure arrangements, when the profit distribution is carried out, the proportion of cash dividends in this profit distribution should be at least 20%.	
Detailed explanation of the profit distribution or capital reserve transfer plan	
The profit distribution plan for 2025 is as follows: based on the Company's total share capital of 602,762,596 shares as of December 31, 2025, a cash dividend of RMB 0.32 (tax inclusive) per 10 shares will be distributed to all shareholders. The total amount of cash dividends to be distributed is RMB 19,288,403.07 (tax inclusive). The Company will not distribute bonus shares or convert capital reserves into share capital in 2025.	

10. Implementation of the Company's Equity Incentive Plan, Employee Stock Ownership Plan or Other Employee Incentive Measures

□Applicable ☑Not applicable

During the reporting period, the Company had no equity incentive plan, employee stock ownership plan or other employee incentive measures and their implementation.

11. Construction and implementation of the internal control system during the reporting period

(1) Construction and implementation of internal control

In accordance with the Basic Standard for Enterprise Internal Control and its Supporting Guidelines, the Company has established a comprehensive risk management and internal control organizational system, which is the responsibility of the Board of Directors, under the overall leadership of the Compliance and Risk Management Committee, with the Audit and Risk Control Department responsible for implementation and evaluation, and with all departments and affiliated enterprises fully performing their duties, to supervise and evaluate the Company's internal control management. Through the operation, analysis, and evaluation of the internal control system, the Company effectively prevents risks in operation and management and promotes the realization of internal control objectives.

(2) Details of major internal control defects found during the reporting period

□Yes No☑

12. The Company's Management and Control over Its Subsidiaries During the Reporting Period

The Company has formulated management systems such as the Measures for Property Rights Management, Measures for Post-Investment Management, and the List of Rights and Responsibilities between the Company and Nanshan Power Plant and its controlled enterprises, which can clarify authority, define responsibilities, improve efficiency, optimize resource allocation, and standardize enterprise management, meeting the needs of the Company's overall development strategy.

Company name	Integration plan	Integration progress	Problems encountered in integration	Measures taken for solution	Solution progress	Subsequent planned solution
Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd.	Completed the comprehensive integration of Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. in terms of personnel allocation, financial system	As of December 31, 2025, all relevant integration work has been completed: the core team and key positions are in place, financial accounting and statements are	None	Not applicable	Not applicable	Not applicable

	unification, institutional optimization, and business synergy, ensuring its incorporation into the Company's unified management system.	fully integrated into the Company's system, the organizational structure and governance mechanism are operating smoothly, and business processes are synergistic with the Company's overall strategy.				

Abnormalities in management and control over subsidiaries

□Yes No☑

13. Internal Control Evaluation Report or Internal Control Audit Report

(1) Self-evaluation report on internal control

Disclosure date of appraisal report on internal control	April 15, 2026	
Disclosure index of appraisal report on internal control	2025 Annual Internal Control Evaluation Report, Cninfo website http://www.cninfo.com.cn	
The ratio of the total assets of units included in the scope of evaluation accounting for the total assets on the company's consolidated financial statements	78.34%	
The ratio of the operating income of units included in the scope of evaluation accounting for the operating income on the company's consolidated financial statements	79.37%	
Standards of Defects Evaluation		
Category	Financial Report	Non-financial Report
Qualitative standard	Material deficiency: Under a major business activity, several consolidated companies have material weaknesses; or a few consolidated companies have material weaknesses, but the companies with material weaknesses are the main participants in that major business activity. Significant deficiency: Under a major business activity, a few consolidated companies have material weaknesses, and the companies with material weaknesses are not the main participants in that major business activity; or several	Material deficiency: Under a major business activity, several consolidated companies have material weaknesses; or a few consolidated companies have material weaknesses, but the companies with material weaknesses are the main participants in that major business activity. Significant deficiency: Under a major business activity, a few consolidated companies have material weaknesses, and the companies with material weaknesses are not the main participants in that major business activity; or several

	consolidated companies have moderate deficiencies; or a few consolidated companies have moderate deficiencies, but the companies with moderate deficiencies are the main participants in that major business activity. General deficiency: Under a major business activity, a few consolidated companies have moderate deficiencies, and the companies with moderate deficiencies are not the main participants in that major business activity; or each consolidated Company only has ordinary deficiencies; or there are no internal control deficiencies under the major business activity, and internal control deficiencies only exist in non-major business activities.	consolidated companies have moderate deficiencies; or a few consolidated companies have moderate deficiencies, but the companies with moderate deficiencies are the main participants in that major business activity. General deficiency: Under a major business activity, a few consolidated companies have moderate deficiencies, and the companies with moderate deficiencies are not the main participants in that major business activity; or each consolidated Company only has ordinary deficiencies; or there are no internal control deficiencies under the major business activity, and internal control deficiencies only exist in non-major business activities.
Quantitative standard	Material deficiency: Misstatement amount ≥ 0.5% of the total assets of the consolidated financial statements. Significant deficiency: 0.2% of the total assets of the consolidated financial statements ≤ Misstatement amount < 0.5% of the total assets of the consolidated financial statements. General deficiency: Misstatement amount < 0.2% of the total assets of the consolidated financial statements.	Material deficiency: Direct loss amount ≥ 0.5% of the total assets of the consolidated financial statements. Significant deficiency: 0.2% of the total assets of the consolidated financial statements ≤ Direct loss amount < 0.5% of the total assets of the consolidated financial statements. General deficiency: Direct loss amount < 0.2% of the total assets of the consolidated financial statements.
Number of major defects in financial reporting (a)	0	
Number of major defects in non financial reporting (a)	0	
Number of important defects in financial reporting (a)	0	
Number of important defects in non financial reporting (a)	0	

(2) Internal Control audit report

☑Applicable □Not applicable

Considerations in Audit Report on Internal Control	
The Accounting Firm believes that Shenzhen Nanshan Power Co., Ltd. has maintained effective internal control over financial reporting in all material respects in accordance with the Basic Standard for Enterprise Internal Control and related regulations.	
Disclosure date of audit report	Disclosed
Index of audit report of internal control	April 15, 2026
Internal audit report's opinion	2025 Annual Internal Control Audit Report, Cninfo website http://www.cninfo.com.cn
Type of audit report on internal control	Standard and unqualified opinion
Whether there is significant defection non-financial report	No

Has the CPAs issued a qualified auditor's report of internal control.

□Yes No☑

Does the internal control audit report issued by the CPAs agree with the self-assessment report of the Board of Directors

☑Yes□ No

Whether a non-standard internal control audit opinion was issued for the reporting period or the previous year

□Yes No☑

14. Rectification of Self-examination Issues from the Special Action on Corporate Governance of Listed Companies

The self-examination and rectification of the special action on corporate governance of listed companies was completed in 2021. During the reporting period, the Company strictly complied with the relevant provisions of laws and regulations, closely focused on its development strategy, diligently performed its obligations and exercised its powers, conscientiously implemented the resolutions of the shareholders' meetings, actively and effectively carried out the work of the Board of Directors, and effectively safeguarded the legitimate rights and interests of the Company and all shareholders.

15. Environmental Information Disclosure

Whether the listed Company and its major subsidiaries are included in the list of enterprises legally required to disclose environmental information

☑Yes□ No

Number of enterprises included in the list of enterprises legally required to disclose environmental information (number)		1
No	Enterprise name	Query index for the environmental information disclosure report
1	Nanshan Power Plant of Shenzhen Nanshan Power Co., Ltd.	Enterprise Environmental Information Disclosure System of Guangdong Provincial Department of Ecology and Environment https://www-app.gdeei.cn/gdeepub/front/dal/report/list

The Company shall comply with the disclosure requirements for the power supply industry as set out in the Guidelines for Self-Regulation of Listed Companies of Shenzhen Stock Exchange No. 3 - Industry Information Disclosure

Name of company or subsidiary	Main pollutant and specific pollutant type	Main pollutant and specific pollutant name	Emission way	Emission port number	Emission port distribution condition	Emission concentration	(mg/Nm^3) Implemented pollutant emission standards	Total emission	Verified total emission(Tons)	Excessive emission condition
Shenzhen Nanshan Power Co., Ltd.	Nitrogen oxides	Nitrogen oxides	Centralized emission from boiler stacks	3	Within the Nanshan Power Plant site	<15 mg/m^3	Implementing the "Shenzhen Blue" emission standard <15mg/m^3	36.82 tons	686.25 tons	None

The Company generates electricity using clean energy natural gas, which does not produce soot or sulfur dioxide emissions. It is not a key regulatory unit for water pollution, and its sewage outlets are general discharge points with intermittent emissions, for which no emission limits for water pollutants have been set.

Environmental incidents involving the listed Company

None

16. Social Responsibilities

In 2025, although the Company faced numerous challenges in production, operation, and management, it courageously undertook its social responsibilities. Despite aging units, declining efficiency, and high costs, the Company actively ensured power supply and diligently fulfilled its due social responsibilities within its capabilities. In terms of production safety, the Company persistently focused on production safety, made every effort to ensure the safe and stable operation of power production, and actively explored the establishment of a production safety management model adapted to its transformation and development. It optimized and improved its internal production safety management system and mechanisms, and carried out various tasks in production safety, technical supervision, and innovation management in an orderly manner, achieving the safety goal of "Five-No". In terms of environmental protection, the Company strictly abided by national and local environmental regulations, consistently adhered to the development concept of clean power generation, effectively implemented all environmental protection work, met environmental emission standards, and had no environmental pollution accidents. In terms of charitable assistance, the Company thoroughly implemented the central government's strategic decision to implement the rural revitalization strategy, fulfilled the task of providing targeted assistance to towns and villages for rural revitalization, and dispatched a resident assistance staff member. At the same time, it actively played a unique role in consumption-based assistance, achieving a cumulative amount of about RMB 150,000 in consumption-based assistance during the reporting period through forms such as purchasing agricultural products from poverty-stricken areas.

17. Consolidation and Expansion of the Achievements of Poverty Alleviation and Rural Revitalization

In 2025, the Company thoroughly implemented the central government's strategic decision to implement the rural revitalization strategy, fulfilled the task of providing targeted assistance to towns and villages for rural revitalization, and dispatched a resident assistance staff member. At the same time, it actively played a unique role in consumption-based assistance, achieving a cumulative amount of about RMB 150,000 in consumption-based assistance during the reporting period through forms such as purchasing agricultural products from poverty-stricken areas.

V. Important Matters

1. Fulfillment of Commitments

(1) Commitments made by the Company's actual owner, shareholders, related parties, acquirers, the Company and other related parties that have been fulfilled within the reporting period and those that have not been fulfilled as of the end of the reporting period

□Applicable ☑Not applicable

During the reporting period, there were no commitments made by the Company's actual controller, shareholders, related parties, acquirers, the Company, or other related parties that were fulfilled within the reporting period or remained unfulfilled as of the end of the reporting period.

(2) The existence of the company's assets or projects earnings forecasts and earnings reporting period is still in the forecast period, the company has assets or projects meet the original profit forecast made and the reasons explained

□Applicable ☑Not applicable

(3) Performance commitments involving the Company

□Applicable ☑Not applicable

2. Particulars about the Non-operating Occupation of Funds by the Controlling Shareholder

□Applicable ☑Not applicable

3. Illegal Provision of Guarantees for External Parties

□Applicable ☑Not applicable

4. Explanation of the Board of Directors on the Latest "Non-standard Audit Report"

□Applicable ☑Not applicable

5. Explanation of the Board of Directors and Independent Directors (if any) on the "Modified Audit Report" of the Accounting Firm for the Reporting Period

□Applicable ☑Not applicable

6. Explain Change of the Accounting Policy, Accounting Estimate and Measurement Methods as Compared with the Financial Reporting of Last Year

□Applicable ☑Not applicable

During the reporting period, the Company had no accounting policies, changes in accounting estimates or corrections of significant accounting errors.

7. Explain Change of the Consolidation Scope as Compared with the Financial Reporting of Last Year

☑Applicable □Not applicable

1. On December 16, 2024, the Company signed a Share Transfer Agreement with Zhuozhi Fund to acquire 5.6% shares in Sunpower Tech (Jiangsu) Group Co., Ltd., and transferred the acquired shares to its wholly-owned subsidiary, New Power Company. In June 2025, Zhuozhi Fund completed its liquidation and business deregistration procedures. In accordance with the Accounting Standards for Business Enterprises, from the date of Zhuozhi Fund's business deregistration, the entity is no longer included in the scope of the Company's consolidated financial statements.

2. As approved by the eighth ad hoc meeting of the tenth Board of Directors and the fifth ad hoc meeting of the tenth Board of Supervisors held in May 2025, the Company acquired a 75% equity stake (corresponding to a registered capital of RMB 56.25 million) in Sichuan Ruinan from Shenzhen Clou Electronics Co., Ltd. for a consideration of RMB 18,337,500. The equity transfer price was paid by assuming and repaying the debt of RMB 18,337,500 owed by Shenzhen Clou Electronics Co., Ltd. to Sichuan Ruinan. In July 2025, Sichuan Ruinan was renamed Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. and was included in the scope of the Company's consolidated financial statements.

According to the provisions of Article 6, Clause 6.1 of the "Equity Transfer Agreement", and in conjunction with the "Special Audit Report on the Operating Results of the 75% Equity Transaction Project of Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. during the Transition Period" (Zhi Tong Zhuan Zi [2025] No. 441C019665) issued by Grant Thornton China (Special General Partnership) Shenzhen Branch, which was jointly recognized by the Company and Shenzhen Clou Electronics Co., Ltd., Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. incurred a loss of RMB 2,396,286.64 from the base date to the closing date. Accordingly, Shenzhen Clou Electronics Co., Ltd. should pay the Company compensation of RMB 1,797,214.98. On September 29, 2025, the Company received the full amount of this transition period compensation. After deducting the aforementioned transition period compensation, the actual cost of this equity investment was RMB 16,540,300.

8. Engagement/Disengagement of CPAs

CPAs currently engaged

Name of the domestic CPAs	ShineWing Certified Public Accountants (Special General Partnership)
Remuneration for domestic accounting firm (RMB 10,000)	61
Successive years of the domestic CPAs offering auditing services	1
Name of CPA	LI Wenqian, ZHANG Zijian
Continuous years of audit services of certified public accountants of domestic public accounting firms	1

Has the CPAs been changed in the current period

☑Yes□ No

Was the accounting firm changed during the audit period

□Yes No☑

Were the approval procedures followed for the change of the accounting firm

☑Yes□ No

Detailed explanation of the change of employment and accounting firm

Lixin Zhonglian Certified Public Accountants (Special General Partnership) provided annual audit services to the Company from 2019 to 2024 (the audit project partner and other signing certified public accountants it assigned did not continuously undertake the

Company's audit business for more than 5 years). During this period, it issued standard unqualified audit opinions on the Company's annual financial reports and internal control over financial reporting. In accordance with the Administrative Measures for the Selection and Appointment of Accounting Firms by State-owned Enterprises and Listed Companies, and comprehensively considering the Company's development needs and the independence and objectivity of its audit work, based on the results of competitive negotiation, and as approved by the Company's second ad hoc shareholders' meeting of 2025, the Company changed its audit firm for the year 2025. The Company has communicated with both the predecessor and successor annual audit firms regarding the change of the annual audit firm, and both have clearly expressed that they shall have no objections.

Description of the CPAs, financial advisers or sponsors engaged for internal control auditing

☑Applicable □Not applicable

During the year, the Company engaged ShineWing Certified Public Accountants (Special General Partnership) as its internal control audit firm for the year 2025, paying a total internal control audit fee of RMB 200,000.

9. Situation of Facing Listing Suspension and Listing Termination after the Disclosure of the Yearly Report

□Applicable ☑Not applicable

10. Relevant Matters of Bankruptcy Reorganization

□Applicable ☑Not applicable

None

11. Matters of Important Lawsuit and Arbitration

☑Applicable □Not applicable

Basic situation of litigation(arbitration)	Amount involved (RMB 10,000)	Whether to form estimated liabilities	Litigation(arbitration)progress	Litigation(arbitration)trial results and impact	Implementation of litigation(arbitration)judgments	Disclosure date	Disclosure index
Not material Litigation disclosure standard and other litigation did not meet specific disclosure standards	292.7	No	Case closed	No material impact	Executed	Not applicable	

12. Situation of Punishment and Rectification

□Applicable ☑Not applicable

None

13. Credit Condition of the Company and its Controlling Shareholders and Actual Controllers

☑Applicable □Not applicable

During the reporting period, the Company and its largest shareholder had no cases of failing to comply with effective court judgments or having significant outstanding debts that were overdue. They maintained a good credit standing. During the reporting period, the Company had no controlling shareholder or actual controller.

14. Material Related Transactions

(1) Related transactions in connection with daily operation

☑Applicable □Not applicable

Related parties to the transactions	Related relationship	Type of related party transactions	Content of related party transaction	Pricing principles of related party transactions	Price of related party transactions	Amount of related party transactions (RMB 10,000)	Ratio of similar transaction amount	Approved transaction quota (RMB 10,000)	Exceeds approved quota	Settlement method of related party transactions	Prevailing market price for similar transactions	Disclosure date	Disclosure index
Shenzhen Energy Corporation	Related legal entity	Providing services to related parties	Property management services	Fair price	Market price	653.52	1.63%	460.00	Yes	Annual settlement	Not applicable	April 23, 2025	Announcement No.: 2025-014
Shenzhen MTC Co., Ltd.	Related legal entity	Providing services to related parties	Energy management services	Fair price	Market price	169.46	0.42%	150.00	Yes	Monthly settlement	Not applicable	April 23, 2025	Announcement No.: 2025-014
Shenzhen Eco-city Green Technology & Culture Co., Ltd.	Related legal entity	Receiving services from related parties	Providing event venues, materials, etc.	Fair price	Market price	0.61	0.00%	1.50	No	Single-transaction settlement	Not applicable	April 23, 2025	Announcement No.: 2025-014
Sichuan Ruinan	Related legal entity	Receiving services	Solar-storage-chargi	Fair price	Market price	215.80	0.64%	215.80	No	Monthly settlement	Not applicable	April 23, 2025	Announcement No.:

Electric Power Construction Engineering Co., Ltd. (This transaction occurred before the Company was included in the scope of the Company's consolidated financial statements)		from related parties	ng energy service EPC project										2025-014
Artron Art (Group) Co., Ltd. and its subsidiaries	Related legal entity	Purchasing goods from related parties	Purchasing goods	Fair price	Market price	0.00	0.00%	8.00	No			April 23, 2025	Announcement No.: 2025-014
Aerospace Ou Hua Information Technology Co., Ltd.	Related legal entity	Purchasing goods from related parties	Purchasing goods	Fair price	Market price	2.40	0.01%		Yes	Single-transaction settlement	Not applicable		
Shenzhen Clou Electr	Related legal entity	Providing services to	Engineering construction	Fair price	Market price	278.66	0.69%		Yes	Monthly settlement	Not applicable		

<table>
<tr><td>onics Co., Ltd.</td><td></td><td>related parties</td><td>services</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="4">Total</td><td>--</td><td>--</td><td>1,320.45</td><td>--</td><td>835.3</td><td>--</td><td>--</td><td>--</td><td>--</td><td>--</td></tr>
<tr><td colspan="4">Detailed circumstances of large-scale sales returns</td><td colspan="10">None</td></tr>
<tr><td colspan="4">Actual performance during the reporting period for routine related-party transactions for which a total amount was estimated by category for the current period (if any)</td><td colspan="10">1. In 2025, Shenzhen Server Energy Co., Ltd., a holding subsidiary of the Company, continued to deepen the refined management of its property leasing business and took multiple measures to increase the property occupancy rate and profitability. The actual amount of property leasing and management services provided to the related party Shenzhen Energy Corporation in 2025 increased by 42.07% compared to the amount estimated at the beginning of the year.
2. Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd., a holding subsidiary of the Company (included in the scope of the Company's consolidated financial statements in July 2025), signed the "Energy Storage Project Contract of Shangqiu Xinneng Photovoltaic Technology Co., Ltd." with the related party Shenzhen Clou Electronics Co., Ltd. in March 2024 to provide it with engineering construction services, with a contract amount of RMB 2.7866 million. This contract was signed before Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. was consolidated, so no estimate was made at the beginning of 2025. The transaction was priced based on market principles, the price was fair, and there was no harm to the interests of the Company and its shareholders.
3. Based on the Company's actual daily operational needs, the Company did not purchase goods from Artron Art (Group) Co., Ltd. and its subsidiaries in 2025; the actual amount of routine related-party transactions with Shenzhen Eco-city Green Technology & Culture Co., Ltd. decreased by 59.33% compared to the estimated amount; the Company purchased goods worth RMB 24,000 from Aerospace Ou Hua Information Technology Co., Ltd. in 2025, a transaction for which no estimate was made at the beginning of 2025. The amounts of the aforementioned routine related-party transactions were small and did not have a significant impact on the Company's production, operation, and financial status.
4. The estimated routine related-party transactions between the Company and its related parties for 2025 are preliminary judgments based on past business operations and the annual business plan. The actual transaction amounts are subject to multiple factors such as changes in the market environment, adjustments in business needs of both parties, and project execution progress. It is a normal business practice for the actual amounts to differ from the estimated amounts, and this shall not have a significant impact on the Company's daily operations and performance.</td></tr>
<tr><td colspan="4">Reasons for significant deviations between transaction prices and market reference prices (if applicable)</td><td colspan="10">Not applicable</td></tr>
</table>

(2) Related-party transactions arising from asset acquisition or sale

☑Applicable □Not applicable

Related party	Related relationship	Type of related party transactions	Content of related party transaction	Pricing principles of related party transactions	Book value of the transferred assets (RMB 10,000)	Appraised value of the transferred assets (RMB 10,000)	Transfer price (RMB 10,000)	Settlement method of related party transactions	Gains or losses on the transaction (RMB 10,000)	Disclosure date	Disclosure index

Shenzhen Clou Electronics Co., Ltd.	Related legal entity	Acquisition of equity	Acquisition of 75% equity in Sichuan Ruinan Electric Power Construction Engineering Co., Ltd.	Determined by both parties through negotiation based on the asset appraisal results	2,436.24 (100% equity)	2,452.91 (100% equity)	1,654.03	By assuming debt	0.00	May 17, 2025 and July 15, 2025	Announcement No.: 2025-021、029

Reasons for significant differences between the transfer price and the book value or appraised value (if any)	Not applicable
Impact on the Company's operating results and financial status	This helps the Company achieve full coverage of engineering capabilities in both traditional power generation and new energy fields, strengthens its full-chain service system of "investment, construction, operation, management, and maintenance", and further enhances integrated energy service capabilities. From July to December 2025, it achieved a cumulative operating revenue of RMB 25,265,800 and a net profit of RMB 546,200.
If the relevant transaction involves performance commitments, the performance achievement during the reporting period	Not applicable

(3) Related-party transitions with joint investments

☑Applicable □Not applicable

Co-investor	Related relationship	Name of the investee Company	Main business of the investee Company	Registered capital of the investee company (RMB 10,000)	Total assets of the investee Company (RMB 10,000)	Net assets of the investee Company (RMB 10,000)	Net profit of the investee Company (RMB 10,000)
Shenzhen Yuanzhi Energy Storage Private Equity Fund Management Co., Ltd., Shenzhen Zhongke Incubation Equity Investment Fund Management Co., Ltd., Shenzhen	Related legal entity	Shenzhen Yuanzhi Zhongkai Energy Storage Technology Innovation Private Equity Fund Partnership (Limited Partnership)	Engaged in equity investment, investment management, asset management and other activities through private equity funds.	40,000			

New-type Energy Storage Industry Equity Fund Partnership (Limited Partnership), China Science and Technology Development Co., Ltd., etc.							
Progress of major projects under construction of the investee Company (if any)			None				

(4) Credits and liabilities with related parties

□Applicable ☑Not applicable

During the reporting period, the Company had no related debt transactions.

(5) Transactions with related finance company, especially one that is controlled by the Company

□Applicable ☑Not applicable

None

(6) Transactions between the financial company controlled by the Company and related parties

□Applicable ☑Not applicable

There is no deposit, loan, credit or other financial business between the financial company controlled by the Company and related parties.

(7) Other significant related-party transactions

□Applicable ☑Not applicable

The Company had no other major related party transactions during the reporting period.

15. Significant Contracts and Execution

(1) Entrustments, contracting and leasing

1) Entrustment

□Applicable ☑Not applicable

No such cases in the reporting period.

2) Contracting

□Applicable ☑Not applicable

No such cases in the reporting period.

3) Leasing

□Applicable ☑Not applicable

No such cases in the reporting period.

(2) Other significant contract

□Applicable ☑Not applicable

The Company had no material guarantees during the reporting period.

(3) Situation of Entrusted Finance

1)Situation of Entrusted Finance

☑Applicable □Not applicable

Overview of entrusted wealth-management during the reporting period

Unit: RMB 10,000

Product category	Risk characteristics	Balance of entrusted wealth management during the reporting period	Amount overdue
Money market fund	Low risk	0.00	0.00

The Company, as a sole principal, entrusts a financial institution to conduct asset management, or invests in high-risk entrusted wealth management with low security and poor liquidity.

□Applicable ☑Not applicable

2) Situation of Entrusted Loans

□Applicable ☑Not applicable

No such cases in the reporting period.

(4) Other significant contract

□Applicable ☑Not applicable

No such cases in the reporting period.

16. Use of Raised Funds

□Applicable ☑Not applicable

The Company had no application of the raised capital in the reporting period.

17. Notes to Other Significant Matters

☑Applicable □Not applicable

Matters related to the land of Nanshan Power Plant: In March 2026, the Company once again learned from the official website of the Planning and Natural Resources Bureau of Shenzhen Municipality about the Notice of the Municipal Planning and Natural

Resources Bureau on Issuing the <Shenzhen 2026 Annual Land Consolidation Plan>. According to the notice and its attachments, the Shenzhen 2026 Annual Land Consolidation Plan still includes the land reservation and acquisition of the Company's subsidiary, Nanshan Power Plant, and related content, with no substantive changes compared to the land consolidation plans disclosed in recent years. (For details, please refer to the relevant announcements disclosed by the Company on Securities Times and cninfo.com.cn, announcement No.: 2026-013)

Except for the matters mentioned above, there was no progress or change in the refundable amount of the Company's "Project Technical Transformation Benefit Fund" during the reporting period.

18. Significant Matters of the Company's Subsidiaries

☑Applicable □Not applicable

Public transfer of generator units of Shenzhen Nanshan Power Zhongshan Company: On March 6 and June 4, 2025, the Company disclosed the "Progress Announcement on the Re-listing and Transfer of Generator Unit-related Assets of the Holding Subsidiary Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.". As of May 30, 2025, Shenzhen Nanshan Power Zhongshan Company had received the full transfer price, installment interest, and value-added tax from Fujian Hengjing Investment Co., Ltd., totaling RMB 72,253,308.58. The public transfer of the generator units of Shenzhen Nanshan Power Zhongshan Company was successfully completed. (For details, please refer to the relevant announcements disclosed by the Company on Securities Times and cninfo.com.cn, announcement Nos.: 2024-068, 069, 070, 075, 2025-002, 024)

VI. Changes in Shares and Shareholders

1. Changes in shares

(1) Changes in shares

Unit: Share

	Before the change		Increase/decrease (+, -)					After the Change	
	Quantity	Proportion	Issuance of new share	Bonus shares	Capitalization of public reserve	Others	Subtotal	Quantity	Proportion
I. Shares with conditional subscription									
1. State-owned shares									
2. State-owned legal person shares									
3. Other domestic shares									
Incl: Domestic legal person shares									
Domestic Natural Person shares									
4. Foreign share									
Incl: Foreign legal person share									
Forei									

gn Natural Person shares									
II. Shares with unconditional subscription	602,762,596	100.00%						602,762,596	100.00%
1. Common shares in RMB	338,908,150	56.23%						338,908,150	56.23%
2. Foreign shares in domestic market	263,854,446	43.77%						263,854,446	43.77%
3. Foreign shares in foreign market									
4. Other									
III. Total of capital shares	602,762,596	100.00%						602,762,596	100.00%

Reasons for share changed

□Applicable ☑Not applicable

Approval of Change of Shares

□Applicable ☑Not applicable

Ownership transfer of share changes

□Applicable ☑Not applicable

Progress on any share repurchase: □ Applicable √ Not applicable Progress on reducing the repurchased shares by means of centralized bidding: □ Applicable √ Not applicable Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

□Applicable ☑Not applicable

Other information necessary to disclose for the company or need to disclosed under requirement from security regulators

□Applicable ☑Not applicable

(2) Change of shares with limited sales condition

□Applicable ☑Not applicable

2. Securities Issue and Listing

(1) Explanation of the Situation of the Security Issue(No Preferred Shares) in the Report Period

□Applicable ☑Not applicable

(2) Change of asset and liability structure caused by change of total capital shares and structure

□Applicable ☑Not applicable

(3) About the existing employees' shares

□Applicable ☑Not applicable

3. Shareholders and Actual Controlling Shareholder

(1) Number of shareholders and shareholding

Unit: Share

Total number of common shareholders at the end of the reporting period	48,735	Total shareholders at the end of the month from the date of disclosing the annual report	63,118	Total number of preferred shareholders with restoration of voting rights at the end of the reporting period (if any) (see Note 8)	0	Total number of preferred shareholders whose voting right have been restored at the end of the previous month before the disclosure date of the annual report (if any) (see Note 8)		0
Particulars about shares held above 5% by shareholders or top ten shareholders (Excluding shares lent through refinancing)								
Name of the shareholder	Nature of shareholder	Shareholding ratio (%)	Number of shares held at period - end	Changes in reporting period	Amount of restricted shares held	Amount of un-restricted shares held	Number of share pledged/frozen	
							State of share	Quantity
HONG KONG NAM HOI (INTERNATIONAL) LTD	Overseas Legal person	15.28%	92,123,248	0	0	92,123,248	Not applicable	0
Shenzhen Guangju Industrial Co., Ltd.	State-owned	12.22%	73,666,824	0	0	73,666,824	Not applicable	0
Shenzhen Energy Corporation	State-owned	10.80%	65,106,130	0	0	65,106,130	Not applicable	0
ZENG	Domestic	1.19%	7,159,600	0	0	7,159,600	Not	0

Ying	Natural person						applicable	
China Merchants Securities (HK) Co., Limited	Overseas Legal person	0.91%	5,462,154	24,000	0	5,462,154	Not applicable	0
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	Overseas Legal person	0.89%	5,379,880	-1,212,999	0	5,379,880	Not applicable	0
BOCI SECURITIES LIMITED	Overseas Legal person	0.72%	4,310,566	-112,500	0	4,310,566	Not applicable	0
LISHERY NZHANMING	Overseas Natural person	0.69%	4,163,600	14,200	0	4,163,600	Not applicable	0
HUANG Yilong	Domestic Natural person	0.64%	3,866,500	0	0	3,866,500	Not applicable	0
ZHANG Yuexiang	Domestic Natural person	0.55%	3,300,053	0	0	3,300,053	Not applicable	0

Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable) (See Notes 3)	None
Explanation on shareholders participating in the margin trading business	1. Shenzhen Energy Corporation holds 100% equity of HONG KONG NAM HOI (INTERNATIONAL) LTD. 2. The Company is not aware of whether the other public shareholders mentioned above have any related party relationships or are persons acting in concert.
Above shareholders entrusting or entrusted with voting rights, or waiving voting rights	None
Top 10 shareholders including the special account for repurchase (if any) (see note 10)	None

Shareholdings of the top 10 shareholders without restrictions on sales (excluding shares lent through refinancing and shares locked by senior management)

Name of the shareholder	Quantity of unrestricted shares held at the end of the reporting period	Share type	
		Share type	Quantity
HONG KONG NAM HOI (INTERNATIONAL) LTD	92,123,248	Foreign shares in domestic market	92,123,248
Shenzhen Guangju Industrial Co., Ltd.	73,666,824	Common shares in RMB	73,666,824

Shenzhen Energy Corporation	65,106,130	Common shares in RMB	65,106,130
ZENG Ying	7,159,600	Foreign shares in domestic market	7,159,600
China Merchants Securities (HK) Co., Limited	5,462,154	Foreign shares in domestic market	5,462,154
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED	5,379,880	Foreign shares in domestic market	5,379,880
BOCI SECURITIES LIMITED	4,310,566	Foreign shares in domestic market	4,310,566
LISHERYNZHANMING	4,163,600	Foreign shares in domestic market	4,163,600
HUANG Yilong	3,866,500	Common shares in RMB	3,866,500
ZHANG Yuexiang	3,300,053	Foreign shares in domestic market	3,300,053
Explanation on associated relationship or consistent action among the top 10 shareholders of non-restricted negotiable shares and that between the top 10 shareholders of non-restricted negotiable shares and top 10 shareholders	1. Shenzhen Energy Corporation holds 100% equity of HONG KONG NAM HOI (INTERNATIONAL) LTD. 2. The Company is not aware of whether the other public shareholders mentioned above have any related party relationships or are persons acting in concert.		
Explanation on shareholders participating in the margin trading business(if any)(See Notes 4)	None		

Participation of shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares in refinancing business and lending shares

□Applicable ☑Not applicable

Changes of the top 10 shareholders and the top 10 shareholders of unrestricted tradable shares compared with the previous period due to refinancing lending/repayment

□Applicable ☑Not applicable

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

□Yes No☑

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy –back agreement dealing in reporting period.

(2) Controlling shareholder

Nature of controlling shareholder: No controlling entity

Type of controlling shareholder: Not applicable

Explanation on the absence of a controlling shareholder

The Company currently has no controlling shareholder as defined in the Company Law and the Rules Governing the Listing of Stocks.

Changes of controlling shareholder in reporting period

□Applicable ☑Not applicable

No changes of controlling shareholder for the Company in reporting period.

(3) Information about the controlling shareholder of the Company

Nature of actual controller: No actual controller

Type of actual controller: Not applicable

Explanation on the absence of an actual controller

The Company currently does not meet the criteria for identifying an actual controller of a listed Company as stipulated in the Company Law, the Administrative Measures for the Acquisition of Listed Companies, and the Rules Governing the Listing of Stocks.

Whether there are shareholders holding more than 10% of the shares at the ultimate control level of the Company

□Yes No☑

□ Information on shareholders holding more than 5% of the shares at the ultimate control level of the Company ☑ No shareholder at the ultimate control level of the Company holds more than 5% of the shares

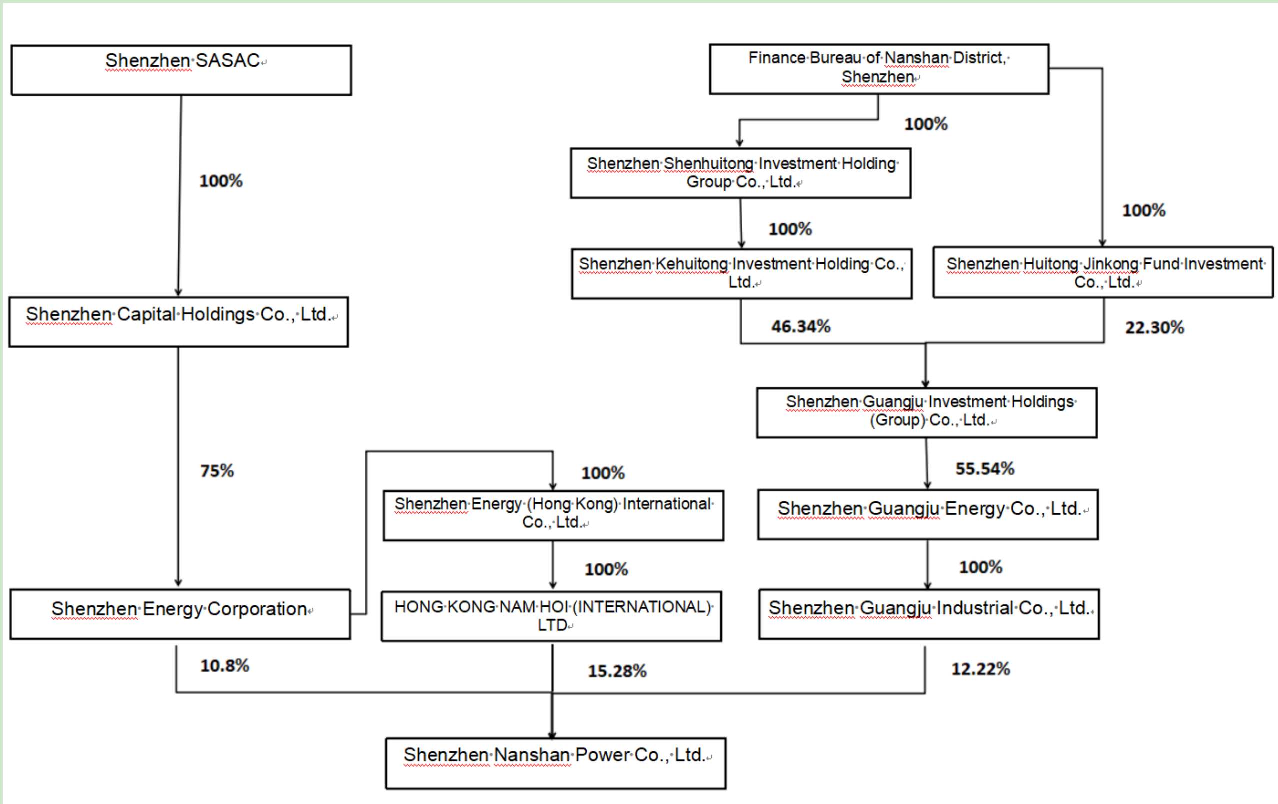
The Company currently does not meet the criteria for identifying an actual controller of a listed Company as stipulated in the Company Law, the Administrative Measures for the Acquisition of Listed Companies, and the Rules Governing the Listing of Stocks. The Company's largest shareholder, Shenzhen Energy Corporation, directly holds 10.80% of the Company's shares and indirectly holds 15.28% through HONG KONG NAM HOI (INTERNATIONAL) LTD, holding a total of 26.08% of the Company's shares.

Changes of actual owner in reporting period

□Applicable ☑Not applicable

No changes of controlling shareholder for the Company in reporting period

Block Diagram of the ownership and control relations between the company and the actual controller



The actual controller controls the company by means of trust or managing the assets in other way

□Applicable ☑Not applicable

(4) The cumulative number of shares pledged by the controlling shareholder or the largest shareholder of the company and its person acting in concert accounts for 80% of the number of shares held by the company

□Applicable ☑Not applicable

(5) Particulars about other legal person shareholders with over 10% share held

☑Applicable □Not applicable

Name of legal person shareholder	Legal representative /Leader	Date of incorporation	Registered capital	Main business operations or management activities
HONG KONG NAM HOI (INTERNATIONAL) LTD	KONG Guoliang	May 14, 1985	HKD 15.33 million	Investment and shareholding
Shenzhen Guangju Industrial Co., Ltd.	DENG Zhenwu	May 31, 1989	RMB 111.11 million	Establishment of industries, power investment (specific projects to be declared separately), etc.
Shenzhen Energy Corporation	KONG Guoliang	July 15, 1985	RMB 230,971,224.24	Development, production, purchase, and sale of various conventional energy

				sources (including electricity, heat, coal, oil, and gas) and new energy sources, etc.

(6) Situation of Share Limitation Reduction of Controlling Shareholders, Actual Controllers, Restructuring Party and Other Commitment Subjects

□Applicable ☑Not applicable

4. Specific Implementation of Share Repurchase During the Reporting Period

Progress in implementation of share repurchase

□Applicable ☑Not applicable

Implementation progress of reducing repurchased shares by centralized bidding

□Applicable ☑Not applicable

5. Information on Preference Shares

□Applicable ☑Not applicable

The Company had no preferred shares in the reporting period.

VII. Bonds

□Applicable ☑Not applicable

VIII. Financial Report

Please refer to the attached financial statements and notes for details.	Standard and unqualified opinion
Signing date of the audit report	April 13, 2026
Name of audit institution	ShineWing Certified Public Accountants (Special General Partnership)
Financial Statements and Auditor's Report	XYZH/2026SZAA4B0082
Contents	LI Wenqian, ZHANG Zijian

Auditor’ s Report

XYZH/2026SZAA4B0082

To all shareholders of Shenzhen Nanshan Power Co., Ltd.,

(I) Auditor's opinion

We have audited the financial statements of Shenzhen Nanshan Power Co., Ltd. (hereinafter referred to as "Shenzhen Nanshan Power"), which comprise the consolidated and parent Company Balance Sheet as at December 31, 2025, the consolidated and parent Company Income Statement, the consolidated and parent Company Statement of Cash Flows, the consolidated and parent Company Statement of Changes in Shareholders' Equity for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements are prepared in all material respects in accordance with the Accounting Standards for Business Enterprises and give a true and fair view of the consolidated and parent Company financial position of Shenzhen Nanshan Power as at December 31, 2025, and of its consolidated and parent Company operating results and cash flows for the year then ended.

(II) Basis for auditor's opinion

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants of China. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of Shenzhen Nanshan Power in accordance with the Code of Ethics for Chinese Certified Public Accountants and the independence requirements of the Code of Ethics for Chinese Certified Public Accountants applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(III) Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition	
Key audit matter	**How our audit addressed the key audit matter**
For details of the accounting policies on revenue recognition and an analysis of revenue, please refer to the accounting policies described in Note 28 to "III. Significant Accounting Policies and Accounting Estimates" and Note 38 to "V. Notes to Items in the Consolidated Financial Statements" in the notes to the consolidated financial statements. In 2025, Shenzhen Nanshan Power's consolidated operating income was RMB 401,681,583.10, a decrease of 9.32% from the previous period. As operating revenue is one of the Company's key performance indicators, and there is an inherent risk of manipulating the timing of revenue recognition to achieve specific targets or expectations, we have identified operating income recognition as a key audit matter.	Our audit procedures related to the recognition of operating income included the following: 1. Evaluating the design and operating effectiveness of key internal controls related to revenue recognition; 2. For revenue from power generation and sales, obtaining and examining supporting evidence related to revenue recognition, including power sales contracts and settlement statements, and performing confirmation procedures on the year-end balance of accounts receivable and the current period's operating income. Combined with the subsequent collection of accounts receivable, we confirmed the authenticity of the revenue from power generation and sales; 3. For revenue from integrated energy services, obtaining and reviewing the Company's accounting policies related to integrated energy services and assessing whether they comply with the new revenue standards. Understanding and evaluating the methods used by management to determine the progress of performance obligations, and combining this with an examination of external evidence such as project contracts, delivery receipts, acceptance reports, and settlement documents to verify the reasonableness of the measurement of project performance progress, thereby evaluating the compliance of the timing and period of revenue recognition for integrated energy services. Combined with confirmation procedures and subsequent collections, we confirmed the authenticity and completeness

	of the revenue from integrated energy services; 4. Performing substantive analytical procedures on operating income and gross profit to assess the reasonableness of the changes in operating revenue and gross profit margin for the current period; 5. Performing a cut-off test on operating income to assess whether operating revenue has been recorded in the appropriate accounting period; 6. Checking whether the information related to operating income has been appropriately presented and disclosed in the financial statements.

2. Recognition of gains from relocation compensation

Key audit matter	How our audit addressed the key audit matter
Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. has completed the reservation and acquisition of the land use right for Parcel B in the three state-owned parcels, located in Hengmen Industrial Zone, Nanlang Street, Cuiheng New Area, Zhongshan City, and has completed the handover procedures with the Management Committee of Zhongshan Cuiheng New Area. In 2025, Shenzhen Nanshan Power recognized RMB 350,592,200 in land reservation and acquisition compensation for Parcel B, with a final recognized cost and expense of RMB 66,469,000, resulting in a net gain of RMB 284,123,200 from the land reservation and acquisition. Due to the significant amount of the relocation compensation and its material impact on the operating results of Shenzhen Nanshan Power for the year 2025, we have identified the recognition of gains from relocation compensation as a key audit matter.	We performed the following main audit procedures for the recognition of gains from relocation compensation: 1. Analyzing whether the recognition of relocation compensation gains by Shenzhen Nanshan Power complies with the Accounting Standards for Business Enterprises and regulatory requirements, in accordance with the provisions of CAS No. 42 - Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations, its related application guidelines, and the CSRC's Regulatory Rules Application Guidance - Accounting No. 3; 2. Obtaining and inspecting the land reservation and acquisition contract, analyzing and examining the contract terms, and reviewing the agreements on the rights and obligations of all parties to the contract to verify the accuracy of the timing of loss of control over the disposed assets; 3. Inquiring and communicating with the management of Shenzhen Nanshan Power (hereinafter referred to as management) to understand the progress of the relocation and the fulfillment of Shenzhen Nanshan Power's obligations; analyzing and evaluating the reasonableness of the relevant

	accounting estimates and judgments made by management in recognizing the relocation compensation; 4. On-site inquiry and printing of the Certificate of Cancellation of State-owned Construction Land Use Right Registration， obtaining the acceptance and handover documents for the relocated land parcels, inspecting the land handover confirmation letter, and verifying the handover land parcels and handover dates; 5. Reviewing the amount of relocation expenses incurred during the relocation period and the losses on disposal and scrapping of related assets to confirm whether the amount transferred to profit or loss is correct; 6. Conducting a site visit to the relocated land parcels to check the relocation progress and confirm whether the land is in a cleared state; 7. Reviewing the adequacy and appropriateness of the presentation and disclosure of the gains from relocation compensation in the financial statements.

(IV) Other information

The management of Shenzhen Nanshan Power (hereinafter referred to as management) is responsible for the other information. The other information comprises the information included in the 2025 annual report of Shenzhen Nanshan Power, but does not include the financial statements and our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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

Based on the work we have performed, if 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.

(V) Responsibilities of management and those charged with governance for the financial statements

The Company's management is responsible for preparing the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises to achieve a fair presentation, and for designing, implementing and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatements, whether due to frauds or errors.

In preparing the financial statements, management is responsible for assessing the ability of Shenzhen Nanshan Power to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate Shenzhen Nanshan Power, to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of Shenzhen Nanshan Power.

(VI) Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards 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 financial statements.

As part of an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following procedures:

(1) Identify and assess the risks of material misstatement of the 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.

(2) Understand the internal control related to the audit, so as to design appropriate audit procedures.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Company.

(4) Conclude on the appropriateness of management's 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 Shenzhen Nanshan Power's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required by auditing standards to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and whether the

financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Shenzhen Nanshan Power to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

(No text on this page)

ShineWing Certified Public Accountants (Special General Partnership)

Certified Public Accountant of China: LI Wenqian
(Engagement partner)

Certified Public Accountant of China: ZHANG Zijian

Beijing, China

April 13, 2026

Financial Statements

1. Consolidated balance sheet

Prepared by: Shenzhen Nanshan Power Co., Ltd.

Unit: RMB

Item	December 31, 2025	December 31, 2024
Current asset:		
Monetary funds	141,590,339.04	478,979,221.66
Balances with clearing companies		
Loans to banks and other financial institutions		
Financial assets held for trading	341,000,000.00	
Derivative financial assets		
Notes receivable		
Account receivable	109,831,397.29	67,817,025.91
Financings receivable		
Advances to suppliers	11,052,982.80	19,062,352.04
Premiums receivable		
Reinsurance accounts receivable		
Provision of cession receivable		
Other receivables	361,729,062.93	131,831,575.62
Including: Interest receivable		
Dividend receivable		
Financial assets purchased under resale agreements		
Inventories	37,972,909.48	80,234,374.79
Contract assets	21,441,671.72	95,580.68
Assets held for sale		24,582,784.59
Non-current assets due within 1 year		
Other current assets	266,262,387.12	285,528,539.22
Total of current assets	1,290,880,750.38	1,088,131,454.51
Non-current assets:		
Loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	196,827,515.83	90,587,521.44
Investment in other equity instruments	234,179,057.20	354,798,054.57
Other non-current financial assets		
Investment properties	1,331,453.08	1,498,009.84
Fixed assets	544,902,436.89	451,203,790.97

Construction in progress	3,113,338.75	6,983,713.85
Productive biological assets		
Oil and gas assets		
Right-of-use assets	28,785,337.19	6,160,020.43
Intangible assets	2,041,770.36	1,349,731.81
Development expenses		
Goodwill		
Long-term deferred expenses	6,567,159.05	5,802,861.77
Deferred income tax assets	4,264,858.88	625,000.00
Other non-current assets	857,135.84	5,596,476.40
Total of non-current assets	1,022,870,063.07	924,605,181.08
Total of assets	2,313,750,813.45	2,012,736,635.59
Current liabilities		
Short-term borrowings	172,094,604.45	268,615,009.19
Borrowings from central bank		
Loans from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	42,661,594.09	14,022,157.61
Advances from customers		
Contract liabilities	130,796.46	50,000.00
Financial assets sold under repurchase agreements		
Absorption of deposits and interbank deposits		
Receivings from vicariously traded securities		
Receivings from vicariously sold securities		
Employee compensation payable	24,759,553.78	16,052,879.47
Taxes and surcharges payable	8,531,798.19	14,348,908.04
Other payables	33,323,386.05	15,685,234.29
Including: Interest payable		
Dividend payable	22,500,000.00	
Handling service fee and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within 1 year	7,340,810.74	4,466,835.32

Other current liabilities	2,425,298.89	107,922,984.82
Total of current liability	291,267,842.65	441,164,008.74
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings	168,421,492.31	
Bonds payable		
Including: preferred shares		
Perpetual bonds		
Lease liabilities	24,668,020.16	2,125,910.18
Long-term payables		
Long-term employee compensations payable		
Estimated liabilities	364,945.00	
Deferred income	41,913,447.41	61,522,875.97
Deferred income tax assets	9,846,034.15	
Other non-current liabilities		
Total non-current liabilities	245,213,939.03	63,648,786.15
Total of liability	536,481,781.68	504,812,794.89
Owners' equity:		
Stock capital	602,762,596.00	602,762,596.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserves	362,767,402.38	362,770,922.10
Less: treasury shares		
Other comprehensive income	31,064,057.20	1,683,054.57
Special reserves	410,577.62	
surplus reserve	332,908,397.60	332,908,397.60
General risk reserves		
Retained profits	347,646,697.47	185,255,604.81
Total equity attributable to owners of the parent company	1,677,559,728.27	1,485,380,575.08
Minor shareholders' equity	99,709,303.50	22,543,265.62
Total owners' equity	1,777,269,031.77	1,507,923,840.70
Total liabilities and owners' equity	2,313,750,813.45	2,012,736,635.59

Legal representative: KONG Guoliang Chief Accountant:: KONG Guoliang Chief financial officer: ZHANG Xiaoyin Head of the Finance Department: Lin Xiaojia

2. Balance sheet of the parent company

Unit: RMB

Item	December 31, 2025	December 31, 2024
Current asset:		
Monetary funds	23,174,572.46	408,963,344.55
Financial assets held for trading	341,000,000.00	
Derivative financial assets		
Notes receivable		
Account receivable	42,375,469.95	26,641,173.11
Financings receivable		
Advances to suppliers	21,412,712.54	17,256,415.27
Other receivables	568,495,288.27	614,157,681.93
Including: Interest receivable		
Dividend receivable	22,500,000.00	
Inventories	36,421,637.94	76,391,256.94
Contract assets		
Assets held for sale		
Non-current assets due within 1 year		
Other current assets	242,489,343.26	236,196,142.37
Total of current assets	1,275,369,024.42	1,379,606,014.17
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	721,590,421.11	568,752,639.83
Investment in other equity instruments		110,615,000.00
Other non-current financial assets		
Investment properties		
Fixed assets	336,942,043.04	351,782,033.61
Construction in progress		1,654,419.67
Productive biological assets		
Oil and gas assets		
Right-of-use assets	1,811,770.63	6,160,020.43
Intangible assets	1,874,171.18	1,234,568.04
Development expenses		
Goodwill		
Long-term deferred expenses	6,567,159.05	5,802,861.77
Deferred income tax assets		
Other non-current assets	857,135.84	857,135.84
Total of non-current assets	1,069,642,700.85	1,046,858,679.19
Total of assets	2,345,011,725.27	2,426,464,693.36
Current liabilities		

Short-term borrowings	142,071,687.79	106,590,219.19
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		132,000,000.00
Accounts payable	4,789,658.17	7,836,364.14
Advances from customers		
Contract liabilities	130,796.46	
Employee compensation payable	15,991,534.16	10,343,784.13
Taxes and surcharges payable	6,898,103.90	4,194,761.79
Other payables	323,690,071.27	249,849,964.57
Including: Interest payable		
Dividend payable		
Liabilities held for sale		
Non-current liabilities due within 1 year	2,125,910.15	4,466,835.32
Other current liabilities		
Total of current liability	495,697,761.90	515,281,929.14
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: preferred shares		
Perpetual bonds		
Lease liabilities		2,125,910.18
Long-term payables		
Long-term employee compensations payable		
Estimated liabilities		
Deferred income	41,223,194.07	60,705,055.43
Deferred income tax assets		
Other non-current liabilities		
Total non-current liabilities	41,223,194.07	62,830,965.61
Total of liability	536,920,955.97	578,112,894.75
Owners' equity:		
Stock capital	602,762,596.00	602,762,596.00
Other equity instruments		
Including: preferred shares		
Perpetual bonds		
Capital reserves	289,963,039.70	289,963,039.70
Less: treasury shares		
Other comprehensive income		
Special reserves	410,577.62	

surplus reserve	332,908,397.60	332,908,397.60
Retained profits	582,046,158.38	622,717,765.31
Total owners' equity	1,808,090,769.30	1,848,351,798.61
Total liabilities and owners' equity	2,345,011,725.27	2,426,464,693.36

Legal representative: KONG Guoliang Chief Accountant: KONG Guoliang Chief financial officer: ZHANG Xiaoyin

Head of the Finance Department: Lin Xiaojia

3. Consolidated income statement

Unit: RMB

Item	For the year 2025	For the year 2024
I. Total operating revenue	401,681,583.10	442,971,955.85
Including: operating revenue	401,681,583.10	442,971,955.85
Interest income		
Premiums earned		
Revenue from handling service fee and commissions:		
II. Total operating costs	431,332,768.32	546,888,840.95
Including: operating costs	315,239,698.94	415,446,732.39
Interest expenses		
Handling service fee and commissions expenditures		
Surrender value		
Net amount of compensation payout		
Net provision for insurance contract liabilities		
Policy dividends		
Reinsurance costs		
Taxes and surcharges	3,890,042.33	4,621,861.58
Sales expenses	3,222,722.58	3,155,604.58
Management expenses	88,440,650.34	95,507,099.03
R&D expenses	17,061,249.79	21,341,778.27
Financial expenses	3,478,404.34	6,815,765.10
Including: Interest expenses	4,244,754.09	11,829,545.09
Interest income	1,093,690.21	5,185,764.60
Add: Other income	14,934,298.68	6,867,023.46
Investment income ("-" for losses)	28,835,338.95	84,488,299.90
Including: investment income from associates and joint ventures	12,445,694.39	6,326,077.76
Financial assets measured at amortized cost cease to be		

recognized as income		
Exchange gains (losses expressed with "-")		
Net exposure hedging gains (loss expressed with "-")		
Gains from changes in fair value ("-" for losses)		
Loss from credit impairment (losses expressed with "-")	-4,791,874.97	-11,381,410.65
Asset impairment loss (losses expressed with "-")	-26,366,298.90	-66,389,539.68
Gains from disposal of assets (losses expressed with "-")	284,413,055.16	163,529,971.97
III. Operating profit ("-" for loss)	267,373,333.70	73,197,459.90
Add: Non-Operating income	844,799.91	553,068.40
Less: Non-Operating expenses	2,003,725.51	135,334.48
IV. Total profits ("-" for total losses)	266,214,408.10	73,615,193.82
Less: Income tax expenses	11,011,695.18	9,687,769.34
V. Net profit ("-" for net loss)	255,202,712.92	63,927,424.48
(I) Classified by operating sustainability		
1. Net profit from continued operation (losses expressed with "-")	255,202,712.92	63,927,424.48
2. Net profit from discontinued operations (losses expressed with "-")		
(II) Classified by ownership		
Including: Net profit attributable to the owners of parent company	161,038,200.40	21,908,828.57
Minority shareholders’ equity	94,164,512.52	42,018,595.91
VI. Other comprehensive income, net of tax	28,014,678.49	4,183,054.57
Other comprehensive income, net of tax, attributable to owners of parent company	28,014,678.49	4,183,054.57
(I) Other comprehensive income that cannot be reclassified into profit or loss later	28,014,678.49	4,183,054.57
1. Re-measurement of defined benefit plans of changes in net debt or net assets		
2. Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments	28,014,678.49	4,183,054.57
4. Changes in the fair value of the company’s credit risks		
5. Other		
(II) Other comprehensive income that will be reclassified into profit or loss		

1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flows		
6. Translation differences in currency financial statements		
7. Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	283,217,391.41	68,110,479.05
Total comprehensive income attributable to the owner of the parent company	189,052,878.89	26,091,883.14
Total comprehensive income attributable minority shareholders	94,164,512.52	42,018,595.91
VIII. Earnings per share		
(I) Basic earnings per share	0.2672	0.0363
(II) Diluted earnings per share	0.2672	0.0363

Legal representative: KONG Guoliang Chief Accountant: KONG Guoliang Chief financial officer: ZHANG Xiaoyin

Head of the Finance Department: Lin Xiaojia

4. Income statement of the parent company

Unit: RMB

Item	For the year 2025	For the year 2024
I. Operating revenue	280,795,800.65	379,476,727.51
Less: Operating cost	252,340,397.77	342,873,813.14
Taxes and surcharges	2,076,957.38	2,310,988.15
Sales expenses	568,530.33	1,051,335.73
Management expenses	62,745,998.99	64,842,087.48
R&D expenses	12,938,935.85	16,117,457.80
Financial expenses	18,885,097.95	-10,921,290.44
Including: Interest expenses	5,239,079.39	10,825,393.90
Interest income	-13,583,121.97	22,013,162.19
Add: Other income	14,539,008.34	5,471,255.16
Investment income ("-" for losses)	40,678,642.32	35,323,947.41
Including: investment income	7,919,718.35	6,563,378.70

from associates and joint ventures		
Gains from derecognition of financial assets measured by amortized costs (losses expressed with "-")		
Net exposure hedging gains (loss expressed with "-")		
Gains from changes in fair value ("-" for losses)		
Loss from credit impairment (losses expressed with "-")	-19,897.15	
Asset impairment loss (losses expressed with "-")	-26,366,298.90	-718,034.64
Gains from disposal of assets (losses expressed with "-")		295,289.14
II. Operating profits ("-" for loss)	-39,928,663.01	3,574,792.72
Add: Non-Operating income	2.39	453,068.40
Less: Non-Operating expenses	736,259.46	124,049.48
III. Total profit ("for" total loss)	-40,664,920.08	3,903,811.64
Less: Income tax expenses	6,686.85	
IV. Net profit ("-" for net loss)	-40,671,606.93	3,903,811.64
(I) Net profit from continued operation ("-" for net loss)	-40,671,606.93	3,903,811.64
(II) Net profit from discontinued operations ("-" for net loss)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income that cannot be reclassified into profit or loss later		
1. Re-measurement of defined benefit plans of changes in net debt or net assets		
2. Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
3. Changes in the fair value of investments in other equity instruments		
4. Changes in the fair value of the company’s credit risks		
5. Other		
(II) Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of		

financial assets		
4. Allowance for credit impairments in investments in other debt obligations		
5. Reserve for cash flows		
6. Translation differences in currency financial statements		
7. Other		
VI. Total comprehensive income	-40,671,606.93	3,903,811.64
VII. Earnings per share		
(I) Basic earnings per share	-0.0675	0.0065
(II) Diluted earnings per share	-0.0675	0.0065

Legal representative: KONG Guoliang Chief Accountant: KONG Guoliang Chief financial officer: ZHANG Xiaoyin Head of the Finance Department: Lin Xiaojia

5. Consolidated statement of cash flows

Unit: RMB

Item	For the year 2025	For the year 2024
I. Cash flows from operating activities		
Cash received from sales of goods or rending of services	393,121,527.71	531,827,063.92
Net increase in deposits from customers and deposits with banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in borrowings from banks and other financial institutions		
Cash received from receiving insurance premium of original insurance contract		
Net cash received from reinsurance business		
Net increase in deposits and investments from policyholders		
Cash received from interests, handling service fee and commissions		
Net increase in borrowings from banks and other financial institutions		
Net increase in funds from repurchase business		
Net cash received from vicariously traded securities		
Tax returned		
Other cash received relevant to operating activities	18,791,341.78	20,645,841.50
Sub-total of cash inflows from operating activities	411,912,869.49	552,472,905.42

Cash paid for purchasing of merchandise and services	263,239,718.99	384,674,207.34
Net increase in loans and advances to customers		
Net increase in deposits with central bank and with banks and other financial institutions		
Cash paid for original insurance contract claims		
Net increase in loans to banks and other financial institutions		
Cash paid for interests, handling service fee and commissions		
Cash paid for policy dividends		
Cash paid to staffs or paid for staffs	111,006,552.35	111,037,016.22
Taxes paid	29,399,447.91	29,330,485.19
Other cash paid for business activities	25,068,672.09	65,066,962.72
Sub-total of cash outflows from operating activities	428,714,391.34	590,108,671.47
Net cash flow from operating activities	-16,801,521.85	-37,635,766.05
II. Cash flow generated by investing		
Cash received from investment retrieving	8,698,892.26	
Cash received as investment gains	11,505,125.64	5,517,908.37
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	69,343,778.53	77,304,322.46
Net cash received from disposal of subsidiaries or other operational units		57,632,411.85
Cash received in connection with significant investment activities	17,559,407.20	452,000,000.00
Sub-total of cash inflows from investing activities	107,107,203.63	592,454,642.68
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	199,610,464.92	16,298,619.89
Cash paid as investment	1,950,000.00	50,000,000.00
Net increase in pledge loans		
Net cash received from subsidiaries and other operational units		
Cash paid related to other investment activities	292,181,765.23	226,000,000.00
Sub-total of cash outflows from investing activities	493,742,230.15	292,298,619.89
Net cash flow from investing activities	-386,635,026.52	300,156,022.79
III. Cash flow generated by financing		
Cash received as investment		49,000,000.00
Including: Cash received as investment from minor shareholders		
Cash received as loans	344,393,748.85	435,026,209.56

Other financing –related cash received		
Sub-total of cash inflows from financing activities	344,393,748.85	484,026,209.56
Cash to repay debts	268,558,036.22	571,104,234.83
Cash paid as dividend, profit, or interests	3,346,191.58	8,221,444.61
Including: dividends and profit paid to minority shareholders by subsidiaries		
Cash paid related with financing activities	6,727,211.00	6,927,038.90
Sub-total of cash outflows from financing activities	278,631,438.80	586,252,718.34
Net cash flow from financing activities	65,762,310.05	-102,226,508.78
IV. Influence of exchange rate alternation on cash and cash equivalents	-137,275.06	38,454.14
V. Net increase in cash and cash equivalents	-337,811,513.38	160,332,202.10
Plus: beginning balance of cash equivalents	471,067,121.66	310,734,919.56
VI. Ending balance of cash equivalents	133,255,608.28	471,067,121.66

Legal representative: KONG Guoliang Chief Accountant: KONG Guoliang Chief financial officer: ZHANG Xiaoyin Head of the Finance Department: Lin Xiaojia

6. The statement of cash flows of the parent company

Unit: RMB

Item	For the year 2025	For the year 2024
I. Cash flows from operating activities		
Cash received from sales of goods or rending of services	298,931,754.10	474,669,435.32
Tax returned		
Other cash received relevant to operating activities	28,963,075.84	207,618,244.62
Sub-total of cash inflows from operating activities	327,894,829.94	682,287,679.94
Cash paid for purchasing of merchandise and services	239,242,649.73	305,890,582.62
Cash paid to staffs or paid for staffs	71,701,034.93	79,309,098.79
Taxes paid	12,583,972.60	20,426,634.39
Other cash paid for business activities	59,924,741.03	83,733,542.41
Sub-total of cash outflows from operating activities	383,452,398.29	489,359,858.21
Net cash flow from operating activities	-55,557,568.35	192,927,821.73
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	5,716,146.30	5,517,908.37
Net cash retrieved from disposal of fixed assets, intangible assets, and other		471,400.00

long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Cash received in connection with significant investment activities	115,395,658.34	626,093,917.54
Sub-total of cash inflows from investing activities	121,111,804.64	632,083,225.91
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets	2,943,890.46	1,597,378.94
Cash paid as investment	70,000,000.00	50,000,000.00
Net cash received from subsidiaries and other operational units		
Cash paid related to other investment activities	328,783,825.14	252,170,000.00
Sub-total of cash outflows from investing activities	401,727,715.60	303,767,378.94
Net cash flow from investing activities	-280,615,910.96	328,315,846.97
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	142,000,000.00	150,413,251.22
Other financing –related ash received	85,401,556.64	60,775,644.30
Sub-total of cash inflows from financing activities	227,401,556.64	211,188,895.52
Cash to repay debts	238,558,036.22	571,104,234.83
Cash paid as dividend, profit, or interests	1,059,885.67	7,422,777.94
Cash paid related with financing activities	37,397,565.97	27,698,183.34
Sub-total of cash outflows from financing activities	277,015,487.86	606,225,196.11
Net cash flow from financing activities	-49,613,931.22	-395,036,300.59
IV. Influence of exchange rate alternation on cash and cash equivalents	-1,361.56	567.77
V. Net increase in cash and cash equivalents	-385,788,772.09	126,207,935.88
Plus: beginning balance of cash equivalents	408,963,344.55	282,755,408.67
VI. Ending balance of cash equivalents	23,174,572.46	408,963,344.55

Legal representative: KONG Guoliang Chief Accountant: KONG Guoliang Chief financial officer: ZHANG Xiaoyin Head of the Finance Department: Lin Xiaojia

7. Consolidated statements of changes in owners' equity

The current period

Unit: RMB

Item	For the year 2025														
	Equity attributable to owners of the parent company													Minor shareholders' equity	Total owners' equity
	Stock capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserve	General risk reserves	Retained profits	Others	Subtotal		
		Preferred shares	Perpetual bonds	Others											
I. Ending balance last year	602,762,596.00				362,770,922.10		1,683,054.57		332,908,397.60		185,255,604.81		1,485,380,575.08	22,543,265.62	1,507,923,840.70
Add: Change of accounting policy															
Correcting of previous errors															
Others															
II. Beginning balance as at the beginning of this year	602,762,596.00				362,770,922.10		1,683,054.57		332,908,397.60		185,255,604.81		1,485,380,575.08	22,543,265.62	1,507,923,840.70
III. Changes in amount for the current period (decreases expressed with "-")					-3,519.72		29,381,002.63	410,577.62			162,391,092.66		192,179,153.19	77,166,037.88	269,345,191.07
(I) Total comprehensive income							28,014,678.49				161,038,200.40		189,052,878.89	94,164,512.52	283,217,391.41

(II) Capital contributed or reduced by owners														5,501,525.36	5,501,525.36
1. Ordinary shares contributed by owners															
2. Capital invested by the holders of other equity instruments															
3. Amounts of share-based payments recognized in owners' equity															
4. Others														5,501,525.36	5,501,525.36
(III) Profit distribution														-22,500,000.00	-22,500,000.00
1. Providing of surplus reserves															
2. Withdrawal of general risk reserves															
3. Profit distributed to owners (or shareholders)														-22,500,000.00	-22,500,000.00
4. Others															
(IV) Internal transfer of owners' equity															
1. Conversion of capital reserves into paid-in capital (or share capital)															
2. Conversion of surplus reserves into paid-in capital (or share capital)															
3. Making up losses by surplus reserves.															
4. Changes in benefit plans transferred to retained															

Item	Stock capital	Preferred	Perpet	Others	Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserve	General risk reserves	Retained profits	Others	Subtotal	Minor shareholders' equity	Total owners' equity
earnings															
5. Transfer of other comprehensive income into retained earnings															
6. Others															
(V) Special reserves								410,577.62					410,577.62		410,577.62
1. Withdrawal in the current period								5,433,144.37					5,433,144.37		5,433,144.37
2. Amount used in the current period								5,022,566.75					5,022,566.75		5,022,566.75
(VI) Others					-3,519.72		1,366,324.14				1,352,892.26		2,715,696.68		2,715,696.68
IV. Balance as at the end of the current period	602,762,596.00				362,767,402.38		31,064,057.20	410,577.62	332,908,397.60		347,646,697.47		1,677,559,728.27	99,709,303.50	1,777,269,031.77

Legal representative: KONG Guoliang Chief Accountant: KONG Guoliang Chief financial officer: ZHANG Xiaoyin

Head of the Finance Department: Lin Xiaojia

Amount in previous period

Unit: RMB

Item	For the year 2024														
	Equity attributable to owners of the parent company													Minor shareholders' equity	Total owners' equity
	Stock capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserve	General risk reserves	Retained profits	Others	Subtotal		
		Preferred	Perpet	Others											

		shares	ual bonds												
I. Ending balance last year	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		163,346,776.24		1,459,288,691.94	-68,475,330.29	1,390,813,361.65
Add: Change of accounting policy															
Correcting of previous errors															
Others															
II. Beginning balance as at the beginning of this year	602,762,596.00				362,770,922.10		-2,500,000.00		332,908,397.60		163,346,776.24		1,459,288,691.94	-68,475,330.29	1,390,813,361.65
III. Changes in amount for the current period (decreases expressed with "-")							4,183,054.57				21,908,828.57		26,091,883.14	91,018,595.91	117,110,479.05
(I) Total comprehensive income											21,908,828.57		21,908,828.57	42,018,595.91	63,927,424.48
(II) Capital contributed or reduced by owners														49,000,000.00	49,000,000.00
1. Ordinary shares contributed by owners														49,000,000.00	49,000,000.00
2. Capital invested by the holders of other equity instruments															
3. Amounts of share-based payments recognized in owners' equity															
4. Others															

(III) Profit distribution															
1. Providing of surplus reserves															
2. Withdrawal of general risk reserves															
3. Profit distributed to owners (or shareholders)															
4. Others															
(IV) Internal transfer of owners' equity															
1. Conversion of capital reserves into paid-in capital (or share capital)															
2. Conversion of surplus reserves into paid-in capital (or share capital)															
3. Making up losses by surplus reserves.															
4. Changes in benefit plans transferred to retained earnings															
5. Transfer of other comprehensive income into retained earnings															
6. Others															
(V) Special reserves															
1. Withdrawal in the current period								5,767,486.06					5,767,486.06		5,767,486.06
2. Amount used in the current period								5,767,486.06					5,767,486.06		5,767,486.06
(VI) Others							4,183,054.57						4,183,054.57		4,183,054.57

IV. Balance as at the end of the current period	602,762,596.00				362,770,922.10		1,683,054.57		332,908,397.60		185,255,604.81		1,485,380,575.08	22,543,265.62	1,507,923,840.70

Legal representative: KONG Guoliang　　Chief Accountant: KONG Guoliang　　Chief financial officer: ZHANG Xiaoyin

Head of the Finance Department: Lin Xiaojia

8. Statement of changes in owner's equity of parent company

The current period

Unit: RMB

Item	For the year 2025										
	Stock capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserve	Retained profits	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Ending balance last year	602,762,596.00				289,963,039.70				332,908,397.60	622,717,765.31		1,848,351,798.61
Add: Change of accounting policy												
Correcting of previous errors												
Others												
II. Beginning balance as at the beginning of this year	602,762,596.00				289,963,039.70				332,908,397.60	622,717,765.31		1,848,351,798.61

III. Changes in amount for the current period (decreases expressed with "-")								410,577.62		-40,671,606.93		-40,261,029.31
(I) Total comprehensive income										-40,671,606.93		-40,671,606.93
(II) Capital contributed or reduced by owners												
1. Ordinary shares contributed by owners												
2. Capital invested by the holders of other equity instruments												
3. Amounts of share-based payments recognized in owners' equity												
4. Others												
(III) Profit distribution												
1. Providing of surplus reserves												
2. Profit distributed to owners (or shareholders)												
3. Other												
(IV) Internal transfer of owners' equity												
1. Conversion of capital reserves into paid-in capital (or share capital)												
2. Conversion of surplus reserves into paid-in capital (or share capital)												
3. Making up losses by surplus reserves.												
4. Changes in benefit plans												

transferred to retained earnings												
5. Transfer of other comprehensive income into retained earnings												
6. Others												
(V) Special reserves								410,577.62				410,577.62
1. Withdrawal in the current period								4,847,602.56				4,847,602.56
2. Amount used in the current period								4,437,024.94				4,437,024.94
(VI) Others												
IV. Balance as at the end of the current period	602,762,596.00				289,963,039.70			410,577.62	332,908,397.60	582,046,158.38		1,808,090,769.30

Legal representative: KONG Guoliang　　Chief Accountant: KONG Guoliang　　Chief financial officer: ZHANG Xiaoyin

Head of the Finance Department: Lin Xiaojia

Amount in previous period

Unit: RMB

Item	For the year 2024											
	Stock capital	Other equity instruments			Capital reserves	Less: treasury shares	Other comprehensive income	Special reserves	Surplus reserve	Retained profits	Others	Total owners' equity
		Preferred shares	Perpetual bonds	Others								
I. Ending balance last year	602,762,596.00				289,963,039.70				332,908,397.60	618,813,953.67		1,844,447,986.97
Add: Change of accounting policy												
Correcting of previous errors												
Others												
II. Beginning balance as at the beginning of this year	602,762,596.00				289,963,039.70				332,908,397.60	618,813,953.67		1,844,447,986.97
III. Changes in amount for the current period (decreases expressed with "-")										3,903,811.64		3,903,811.64
(I) Total comprehensive income										3,903,811.64		3,903,811.64
(II) Capital contributed or reduced by owners												
1. Ordinary shares contributed by												

owners												
2. Capital invested by the holders of other equity instruments												
3. Amounts of share-based payments recognized in owners' equity												
4. Others												
(III) Profit distribution												
1. Providing of surplus reserves												
2. Profit distributed to owners (or shareholders)												
3. Other												
(IV) Internal transfer of owners' equity												
1. Conversion of capital reserves into paid-in capital (or share capital)												
2. Conversion of surplus reserves into paid-in capital (or share capital)												
3. Making up losses by surplus reserves.												
4. Changes in												

benefit plans transferred to retained earnings												
5. Transfer of other comprehensive income into retained earnings												
6. Others												
(V) Special reserves												
1. Withdrawal in the current period								5,750,504.93				5,750,504.93
2. Amount used in the current period								5,750,504.93				5,750,504.93
(VI) Others												
IV. Balance as at the end of the current period	602,762,596.00				289,963,039.70				332,908,397.60	622,717,765.31		1,848,351,798.61

Legal representative: KONG Guoliang Chief Accountant: KONG Guoliang Chief financial officer: ZHANG Xiaoyin

Head of the Finance Department: Lin Xiaojia

Shenzhen Nanshan Power Co., Ltd.
Notes to the financial statements for the year 2025
(Unless otherwise specified, all amounts are denominated in RMB Yuan)

I. Basic information of the Company

1. Company overview

Shenzhen Nanshan Power Co., Ltd. (hereinafter referred to as the "Company" or "the Company") is a joint-stock limited Company reorganized from a foreign-invested enterprise on November 25, 1993, with the approval of the General Office of the Shenzhen Municipal People's Government under document Shen Fu Ban Fu [1993] No. 897.

With the approval of the Shenzhen Securities Management Office under document Shen Zheng Ban Fu [1993] No. 179, the Company issued 40 million RMB ordinary shares to domestic investors and 37 million domestically listed foreign-invested shares to overseas investors on January 3, 1994. On July 1, 1994 and November 28, 1994, the RMB ordinary shares (A-shares) and domestically listed foreign-invested shares (B-shares) issued by the Company were listed on the Shenzhen Stock Exchange successively.

The Company's principal business is power generation and sales and integrated energy services. The Company's registered address is No. 2097, Yueliangwan Avenue, Nanshan District, Shenzhen, Guangdong Province, and its head office is located at 16/F and 17/F, Han-Tang Building, Overseas Chinese Town, Nanshan District, Shenzhen, Guangdong Province.

These financial statements were approved for issue by the Company's Board of Directors on April 13, 2026.

2. Scope of consolidated financial statements

As of December 31, 2025, the subsidiaries included in the scope of the Company's consolidated financial statements are as follows:

Name of subsidiary (enterprise)	Shareholding ratio %	Remark
Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd. (referred to as "Shenzhen Nanshan Power Zhongshan Company")	80.00	
Shenzhen Nanshan Power Gas Turbine Engineering Technology Co., Ltd. (referred to as "Shenzhen Nanshan Power Engineering Company")	100.00	
Shenzhen Nanshan Power Environmental Protection Co., Ltd. (referred to as "Shenzhen Nanshan Power Environmental Protection Company")	100.00	
Shenzhen Server Energy Co., Ltd. (referred to as "Server Company")	50.00	
Shenzhen New Power Industrial Co., Ltd. (referred to as "New Power Company")	100.00	
Shennan Energy (Singapore) Co., Ltd. (referred to as "Singapore Company")	100.00	
Hong Kong Hing Tak Shing Co., Limited (referred to as "Hing Tak Shing")	100.00	
Shenzhen Nanshan Power Xiwan Energy (Zhongshan) Co., Ltd. (referred to as "Shenzhen Nanshan Power Xiwan Company")	51.00	

Name of subsidiary (enterprise)	Shareholding ratio %	Remark
Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. (referred to as "Energy Technology Company")	75.00	

Note: (1) During the reporting period, Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership) has been liquidated and deregistered, and is no longer included in the scope of consolidated financial statements from the date of deregistration; (2) During the reporting period, the Company acquired 75% equity of Sichuan Ruinan by assuming its debts. In July 2025, Sichuan Ruinan was renamed Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. and was included in the scope of the Company's consolidated financial statements.

II. Basis for the preparation of the financial report

The Company prepares its financial statements on a going concern basis, in accordance with the actual transactions and events, and in compliance with the Accounting Standards for Business Enterprises - Basic Standard and various specific accounting standards, application guides for accounting standards for business enterprises, interpretations of accounting standards for business enterprises and other relevant regulations (collectively referred to as "Accounting Standards for Business Enterprises") issued by the Ministry of Finance, as well as the disclosure requirements of the Rules for the Compilation and Reporting of Information Disclosure by Companies Publicly Offering Securities No. 15 - General Provisions on Financial Reports issued by the China Securities Regulatory Commission.

The Company has no events or conditions that raise significant doubts about its ability to continue as a going-concern ability for the twelve months following the end of the reporting period.

III. Important accounting policies and accounting estimates

Based on its actual production and operation characteristics, the Company has formulated a number of specific accounting policies and accounting estimates in accordance with the relevant Accounting Standards for Business Enterprises, which are mainly reflected in the provision for bad debts of accounts receivable (Note III, 11(4)), inventories (Note III, 12), fixed assets (Note III, 18), long-term deferred expenses (Note III, 24), revenue recognition and measurement (Note III, 28), and special reserves (Note III, 32).

1. Statement of compliance with accounting standards for business enterprises

These financial statements comply with the requirements of the Accounting Standards for Business Enterprises, and give a true and complete view of the consolidated and parent Company's financial position as of December 31, 2025, as well as their operating results and cash flows for the year 2025.

2. Accounting period

An accounting year runs from January 1 to December 31 of the Gregorian calendar.

3. Business cycle

The Company's operating cycle is 12 months, which is used as the basis for classifying assets and liabilities as current or non-current.

4. The base currency of account

The Company uses Renminbi (RMB) as its functional currency.

5. Importance criteria determination method and selection basis

Item	Material criteria
Significant individual provision for bad debts of accounts receivable	Original book value is greater than RMB 1 million
Significant provision for bad debts of accounts receivable recovered or reversed in the current period	The amount of individual provision for bad debts of accounts receivable recovered or reversed exceeds RMB 1 million
Write-off of significant accounts receivable	The write-off amount of individual accounts receivable exceeds RMB 1 million
Important construction in progress	The individual amount is greater than RMB 5 million
Significant estimated liabilities	The individual amount is greater than RMB 5 million
Significant joint ventures and associates	The book value of a long-term equity investment in a single joint venture or associate accounts for 5% or more of the consolidated total assets

6. Accounting treatment of business combinations under the common control and under non-common control

(1) Business combination under common control

A business combination under common control is one in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

As the acquirer, the Company measures the assets and liabilities (including goodwill formed from the ultimate controlling party's acquisition of the acquiree) obtained in a business combination under common control at their carrying amounts in the ultimate controlling party's consolidated financial statements on the acquisition date. The difference between the carrying amount of the net assets acquired and the carrying amount of the consideration paid for the combination (or the total par value of the shares issued) is adjusted against the share premium in capital reserve. If the share premium in capital reserve is insufficient to absorb the difference, the remaining balance is adjusted against retained earnings.

(2) Business combination not under common control

A business combination not under common control is one in which the combining parties are not ultimately controlled by the same party or parties both before and after the combination.

As the acquirer in a business combination not under common control, the Company measures the acquiree's identifiable assets, liabilities, and contingent liabilities at their fair values on the acquisition date. The excess of the cost of the combination over the acquirer's interest in the fair value of the acquiree's identifiable net assets is recognized as goodwill. If the cost of the combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer first reassesses the fair values of the identifiable assets, liabilities, and contingent liabilities acquired and the cost of the combination. If, after reassessment, the cost of the combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference shall be recognized in non-operating income for the current period of the combination.

Directly attributable costs incurred for a business combination are expensed as incurred; transaction costs of issuing equity or debt securities for a business combination are included in the initial recognition amount of the equity or debt securities.

7. Criteria for determining control and preparation methods for consolidated financial statements

(1) Scope of consolidation

The scope of consolidation of the Company's consolidated financial statements is determined on the basis of control, and includes the Company and all subsidiaries controlled by the Company. The Company determines control based on whether it has power over the investee, enjoys variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of its returns.

(2) Consolidation procedures

The Company shall prepare its consolidated financial statements based on its own financial statements and those of its subsidiaries, along with other relevant information. In preparing the consolidated financial statements, the Company treats the entire enterprise group as a single accounting entity and reflects the overall financial position, operating results, and cash flows of the enterprise group in accordance with the recognition, measurement, and presentation requirements of the relevant Accounting Standards for Business Enterprises, and under uniform accounting policies.

The accounting policies and accounting periods adopted by all subsidiaries included in the scope of consolidation are consistent with those of the Company. If a subsidiary's accounting policies or accounting period are inconsistent with the Company's, necessary adjustments are made in accordance with the Company's accounting policies and accounting period when preparing the consolidated financial statements. For subsidiaries acquired through a business combination not under common control, their financial statements are adjusted based on the fair value of their identifiable net assets on the acquisition date. For subsidiaries acquired through a business combination under common control, their financial statements are adjusted based on the carrying amounts of their assets and liabilities (including goodwill arising from the ultimate controlling party's acquisition of the subsidiary) in the ultimate controlling party's financial statements.

The portion of a subsidiary's owners' equity, net profit or loss for the current period, and comprehensive income for the current period attributable to minority interests is presented separately under the owners' equity section in the consolidated Balance Sheet, under the net profit section in the consolidated Income Statement, and under the total comprehensive income section, respectively. Any current-period loss attributable to minority interests that exceeds the minority interests' share in the subsidiary's opening owners' equity shall be charged against minority interests.

1) Addition of a subsidiary or business

During the reporting period, if a subsidiary or business is added through a business combination under common control, the opening balances of the consolidated balance sheet shall be adjusted. The income, expenses, and profits of the subsidiary or business from the beginning of the combination period to the end of the reporting period are included in the consolidated Income Statement. The cash flows of the subsidiary or business from the beginning of the combination period to the end of the reporting period are included in the consolidated Statement of Cash Flows. At the same time, the relevant items in the comparative financial statements are adjusted as if the combined reporting entity had existed since the date the ultimate controlling party began to exercise control.

If control over an investee under common control is obtained due to additional investments or other reasons, it is treated as if the combining parties had existed in their current state since the ultimate controlling party began to exercise control, and adjustments are made accordingly. For equity investments held before gaining control over the acquiree, any related profit or loss, other comprehensive income, and other changes in net assets recognized from the later of the date the original equity was acquired and the date the acquirer and the acquiree came under common control, up to the combination date, shall be reversed against the opening retained earnings of the comparative reporting period or the current period's profit or loss, respectively.

During the reporting period, if a subsidiary or business is added through a business combination not under common control, the opening balances of the consolidated balance sheet are not adjusted. The income, expenses, and profits of the subsidiary or business from the acquisition date to the end of the reporting period are included in the consolidated Income Statement. The cash flows of the subsidiary or business from the acquisition date to the end of the reporting period shall be included in the consolidated Statement of Cash Flows.

If control over an investee not under common control is obtained due to additional investments or other reasons, the Company remeasures its previously held equity interest in the acquiree at its fair value on the acquisition date. The difference between the fair value and the carrying amount shall be recognized as investment income for the current period. If the previously held equity interest in the acquiree involves other comprehensive income under the equity method and other changes in owners' equity other than net profit or loss, other comprehensive income, and profit distribution, the related other comprehensive income and other changes in owners' equity are transferred to investment income for the period in which the acquisition occurs, except for other comprehensive income arising from the remeasurement of the net liability or net asset of the defined benefit plan of the investee.

2) Disposal of subsidiaries or businesses

□ General accounting treatment

If the Company disposes of a subsidiary or business during the reporting period, the income, expenses, and profits of that subsidiary or business from the beginning of the period to the date of disposal are included in the consolidated income statement; the cash flows of that subsidiary or business from the beginning of the period to the date of disposal shall be included in the consolidated statement of cash flows.

When control over an investee is lost due to the disposal of a portion of equity investment or for other reasons, the Company remeasures the remaining equity investment at its fair value on the date of losing control. The difference between the sum of the consideration received from the disposal of the equity and the fair value of the remaining equity, and the sum of the share of the net assets of the original subsidiary continuously calculated from the acquisition date or merger date based on the original shareholding ratio and the goodwill, is recognized as investment income for the period in which control is lost. Other comprehensive income or other changes in owners' equity, other than net profit or loss, other comprehensive income, and profit distribution, related to the original subsidiary's equity investment shall be transferred to investment income for the current period upon loss of control, except for other comprehensive income arising from the remeasurement of net liabilities or net assets of the defined benefit plan by the investee.

If the Company loses control due to a decrease in its shareholding ratio resulting from a capital increase in a subsidiary by other investors, it shall be accounted for in accordance with the principles described above.

□ Disposal of a subsidiary in stages

If the disposal of an equity investment in a subsidiary shall be carried out in stages through multiple transactions until control is lost, and the terms, conditions, and economic effects of these transactions meet one or more of the following criteria, it usually indicates that the multiple transactions should be accounted for as a package transaction:

I These transactions are simultaneous or in contemplation of each other;

II These transactions as a whole are necessary to achieve a complete commercial outcome;

III The occurrence of one transaction is contingent on the occurrence of at least one other transaction;

IV A transaction is not economically viable when considered individually, but is economically viable when considered together with the others.

If the transactions for disposing of the equity investment in a subsidiary until control is lost constitute a package transaction, the Company shall account for all such transactions as a single transaction of disposing of a subsidiary and losing control. However, before control is lost, the difference between the proceeds from each disposal and the corresponding share of the subsidiary's net assets for the disposed investment shall be recognized as other comprehensive income in the consolidated financial statements, and is transferred to the profit or loss for the period in which control is lost upon the loss of control.

If the transactions for disposing of an equity investment in a subsidiary until control is lost do not constitute a package transaction, before the loss of control, the partial disposal of the equity investment in the subsidiary shall be accounted for in accordance with the relevant policies for partial disposal without loss of control; upon the loss of control, it shall be accounted for in accordance with the general accounting treatment for the disposal of a subsidiary.

3) Purchase of minority interests in a subsidiary

The difference between the new long-term equity investment acquired by the Company from the purchase of minority interests and the share of the subsidiary's net assets that should be enjoyed, calculated continuously from the acquisition date (or merger date) based on the newly increased shareholding ratio, is adjusted against the share premium in capital reserve in the consolidated Balance Sheet. If the share premium in capital reserve is insufficient to absorb the difference, the retained earnings shall be adjusted.

4) Partial disposal of equity investment in a subsidiary without loss of control

In the case of a partial disposal of a long-term equity investment in a subsidiary without loss of control, the difference between the disposal proceeds received and the corresponding share of the subsidiary's net assets, calculated continuously from the acquisition date or merger date, shall be adjusted against the share premium in capital reserve in the consolidated Balance Sheet. If the share premium in capital reserve is insufficient to absorb the difference, the retained earnings shall be adjusted.

8. Classification of joint arrangements and accounting treatment for joint operations

When the Company is a party to a joint arrangement and has rights to the assets, and obligations for the liabilities, relating to the arrangement, it is a joint operation.

The Company shall recognize the following items in relation to its interest in a joint operation and accounts for them in accordance with the relevant Accounting Standards for Business Enterprises:

(1) Recognize the assets held individually by the Company, and recognize the jointly held assets based on the Company's share;

(2) Recognize the liabilities incurred individually by the Company, and recognize the jointly incurred liabilities based on the Company's share;

(3) Recognize the revenue from the sale of the Company's share of the output of the joint operation;

(4) Recognize the revenue generated by the joint operation from the sale of output based on the Company's share;

(5) Recognize the expenses incurred individually, and recognize the expenses incurred by the joint operation based on the Company's share.

For the Company's accounting policy for investments in joint ventures, see Note III, (XV) Long-term Equity Investments.

9. Cash and cash equivalents

Cash in the Company's Statement of Cash Flows refers to cash on hand and deposits that can be readily drawn on demand. Cash equivalents in the Statement of Cash Flows refer to investments that are held for not more than 3 months, are highly liquid, are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

10. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Upon initial recognition, the Company's foreign currency transactions are translated into the functional currency amount using the spot exchange rate on the date of the transaction. At the Balance Sheet date, foreign currency monetary items are translated into the functional currency using the spot exchange rate at the Balance Sheet date. The resulting exchange differences are recognized directly in profit or loss for the current period, except for those arising from foreign currency specific borrowings for the acquisition, construction, or production of qualifying assets, which are capitalized.

(2) Translation of foreign currency financial statements

When preparing consolidated financial statements, the Company translates the financial statements of foreign operations into RMB. Among them: asset and liability items in the foreign currency Balance Sheet are translated at the spot exchange rate at the Balance Sheet date; owner's equity items, except for "retained earnings", are translated at the spot exchange rate at the date of the transaction; income and expense items in the Income Statement are translated at the spot exchange rate on the date of the transaction. Upon disposal of a foreign operation, the foreign currency translation differences related to that foreign operation are transferred from owner's equity items to profit or loss for the period of disposal. Foreign currency cash flows are translated at the spot exchange rate on the date of the cash flow. The effect of exchange rate changes on cash shall be presented separately in the Statement of Cash Flows.

11. Financial instruments

(1) Recognition and derecognition of financial instruments

The Company recognizes a financial asset or financial liability when it becomes a party to the contractual provisions of a financial instrument.

A financial asset (or part of a financial asset, or part of a group of similar financial assets) is derecognized, i.e., removed from the Balance Sheet, when the following conditions are met: 1) the rights to receive cash flows from the financial asset have expired; 2) the rights to receive cash flows from the financial asset have been transferred, or an obligation to pay the received cash flows in full to a third party without material delay under a 'pass-through' arrangement has been assumed; and either substantially all the risks and rewards of the ownership of the financial asset have been transferred, or although substantially all the risks and rewards of ownership of the financial asset have been neither transferred nor retained, control of the financial asset has been relinquished.

A financial liability shall be derecognized when the obligation is discharged, cancelled, or expires. If an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such a replacement or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference is recognized in profit or loss for the current period.

Financial assets purchased or sold in a regular way are recognized and derecognized on a trade date basis. The trade date is the date on which the Company commits to purchase or sell the financial asset.

(2) Classification and measurement of financial assets

At initial recognition, the Company's financial assets shall be classified as financial assets at amortized cost, financial assets at fair value through other comprehensive income, or financial assets at fair value through profit or loss, based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. All relevant financial assets affected shall be reclassified only when the Company changes its business model for managing financial assets.

In assessing the business model, the Company considers factors including how the performance of the financial assets shall be evaluated and reported to key management personnel, the risks that affect the performance of the financial assets and the way in which those risks are managed, and the way in which the relevant business managers are compensated. In assessing whether the objective is to collect contractual cash flows, the Company analyzes and judges the reasons for, timing of, frequency of, and value of sales of financial assets before their maturity date.

Financial assets are measured at fair value at initial recognition. However, accounts receivable or notes receivable arising from the sale of goods or provision of services that do not contain a significant financing component or for which the financing component of not more than one year is not considered, are initially measured at the transaction price.

For financial assets measured at fair value with changes recognized in profit or loss, related transaction costs are directly recognized in profit or loss. For other categories of financial assets, related transaction costs are included in their initial recognized amount.

The subsequent measurement of financial assets depends on their classification:

1) Financial assets measured at amortized cost

A financial asset shall be classified as a financial asset at amortized cost if it meets both of the following conditions: □ The business model for managing the financial asset is to collect contractual cash flows. □ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. For such financial assets, interest income is recognized using the effective interest method, and gains or losses arising from derecognition, modification, or impairment are recognized in profit or loss. The Company's financial assets in this category mainly include: cash and cash equivalents, accounts receivable, notes receivable, and other receivables.

2) Investments in debt instruments measured at fair value with changes recognized in other comprehensive income

A financial asset shall be classified as a financial asset at fair value through other comprehensive income if it meets both of the following conditions: □ The Company's business model for managing the financial asset is to both collect contractual cash flows and sell the financial asset. □ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. For such financial assets, interest income is recognized using the effective interest method. Except for interest income, impairment losses, and foreign exchange differences which are recognized in profit or loss, other changes in fair value are recognized in other comprehensive income. When the financial asset shall be derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to profit or loss.

3) Investments in equity instruments measured at fair value with changes recognized in other

comprehensive income

The Company makes an irrevocable election to designate certain non-trading equity instrument investments as financial assets at fair value through other comprehensive income. The Company only recognizes relevant dividend income (excluding dividend income that is clearly a recovery of part of the investment cost) in profit or loss, and subsequent changes in fair value are recognized in other comprehensive income, with no provision for impairment required. When the financial asset shall be derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to retained earnings. The Company's financial assets in this category are other equity instrument investments.

4) Financial assets measured at fair values through current profit or loss

Financial assets other than those classified as financial assets at amortized cost and those classified or designated as financial assets at fair value through other comprehensive income are classified by the Company as financial assets at fair value through profit or loss. Such financial assets shall be subsequently measured at fair value, and all changes in fair value are recognized in profit or loss, except for those related to hedge accounting. The Company's financial assets in this category mainly include: trading financial assets.

Contingent consideration recognized by the Company in a business combination not under common control that constitutes a financial asset shall be classified as a financial asset at fair value through profit or loss.

(3) Classification, recognition basis, and measurement methods of financial liabilities

1) Financial liabilities measured at fair value with changes recognized in profit or loss

Financial liabilities at fair value through profit or loss include trading financial liabilities, derivative financial liabilities, etc., which are initially measured at fair value, and related transaction costs are recognized in profit or loss. These financial liabilities shall be subsequently measured at fair value, with changes in fair value recognized in profit or loss.

Upon derecognition, the difference between its carrying amount and the consideration paid shall be recognized in profit or loss.

2) Financial liabilities measured at amortized costs

Financial liabilities at amortized cost include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, and long-term payables, which are initially measured at fair value, and related transaction costs shall be included in the initial recognized amount.

Interest calculated using the effective interest method during the holding period shall be recognized in profit or loss.

Upon derecognition, the difference between the consideration paid and the carrying amount of the financial liability shall be recognized in profit or loss.

(4) Impairment of financial instruments

The Company considers all reasonable and supportable information, including forward-looking information, to estimate expected credit losses for financial assets at amortized cost and financial assets (debt instruments) at fair value through other comprehensive income on an individual or portfolio basis. The measurement of expected credit losses depends on whether the credit risk of the financial asset has increased significantly since initial recognition.

Expected credit loss refers to the weighted average of credit losses of financial instruments weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows that should be received by the Company under the contract and all cash flows expected to be received, discounted at the original effective interest rate, i.e., the present value of all cash shortfalls.

For all notes receivable, contract assets, accounts receivable, and lease receivables formed from daily operating activities such as selling goods and rendering services that are governed by the revenue standards, the Company applies a simplified measurement approach to measure the loss provision based on the expected credit losses over the entire lifetime. For other notes receivable, receivables financing, and other receivables classified into portfolios, the Company calculates expected credit losses by referencing historical credit loss experience, combined with current conditions and forecasts of future economic conditions, through the exposure at default and the expected credit loss rate over the next 12 months or the entire lifetime.

For all other various receivables and temporary payments, except for those using the simplified measurement approach and those that are purchased or originated credit-impaired, the Company assesses on the Balance Sheet date whether the credit risk of the relevant financial instruments has increased significantly since initial recognition, and measures their loss provision, and recognizes expected credit losses and their changes separately.

1) Recognition criteria and provision methods for bad debt provision for receivables that are individually significant and for which bad debt provision is made on an individual basis

The Company performs individual impairment tests on individually significant receivables. Financial assets that are not impaired in individual tests shall be included in a portfolio of financial assets with similar credit risk characteristics for impairment testing. Receivables for which an impairment loss has been recognized in an individual test are no longer included in a portfolio of receivables with similar credit risk characteristics for impairment testing.

2) Receivables that are not individually significant but for which bad debt provision is made on an individual basis

For receivables that are not individually significant but have the following characteristics, such as: receivables in dispute or involving litigation or arbitration with the counterparty; contact has been lost with the debtor and there is no third party to pursue for recovery; there are obvious signs that the debtor is highly unlikely to be able to fulfill its repayment obligations, etc., an individual impairment test is conducted. If there is objective evidence that impairment has occurred, an impairment loss is recognized based on the difference between the present value of its future cash flows and its carrying amount, and a provision for impairment shall be made.

3) Basis for determination and calculation method for accounts receivable for which expected credit losses are calculated based on credit risk portfolios

When there is insufficient evidence to assess expected credit losses on an individual instrument level at a reasonable cost, the Company, by referencing historical credit loss experience, combined with current conditions and judgments on future economic conditions, divides notes receivable, accounts receivable, other receivables, and contract assets into several portfolios based on credit risk characteristics, and calculates expected credit losses on a portfolio basis.

Portfolio name	Basis for determining the portfolio
Portfolio I	Bank acceptance bill portfolio
Portfolio II	Receivables from power generation and sales
Portfolio III	Receivables from integrated energy services
Portfolio IV	Portfolio of accounts receivable, other receivables, and contract assets from related parties within the consolidation scope
Portfolio V	Portfolio of security deposits, deposits, and petty cash
Portfolio VI	Portfolio of taxes such as export tax rebates and VAT refunds upon collection
Portfolio VII	All other various receivables and temporary payments other than the portfolios above

4) Write-off of impairment provision

When the Company no longer reasonably expects to recover all or part of the contractual cash flows of a financial asset, the Company directly writes down the carrying amount of the financial asset. If a written-down financial asset is subsequently recovered, the recovery shall be recognized as a reversal of impairment loss in profit or loss for the period of recovery.

(5) Recognition basis and measurement method for the transfer of financial assets

For a financial asset transfer transaction, if the Company has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee, the financial asset shall be derecognized. If the Company has retained substantially all the risks and rewards of ownership of the financial asset, the financial asset shall not be derecognized. If the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, and has relinquished control over the financial asset, the financial asset is derecognized and the resulting assets and liabilities shall be recognized. If the Company has not relinquished control over the financial asset, the related financial asset is recognized to the extent of its continuing involvement in the transferred financial asset, and a corresponding liability is recognized.

If the transfer of an entire financial asset meets the conditions for derecognition, the difference between the carrying amount of the transferred financial asset on the date of derecognition and the sum of the consideration received from the transfer and the portion of the cumulative amount of changes in fair value originally recognized directly in other comprehensive income corresponding to the derecognized portion (where the transferred financial asset meets both of the following conditions: □ the Company's business model for managing the financial asset is to both collect contractual cash flows and sell the financial asset; □ the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding) shall be recognized in profit or loss for the current period.

If the partial transfer of a financial asset meets the conditions for derecognition, the carrying amount of the entire transferred financial asset is allocated between the derecognized portion and the retained portion based on their respective relative fair values. The difference between the sum of the consideration received from the transfer and the portion of the cumulative amount of changes in fair value originally recognized in other comprehensive income that should be allocated to the derecognized portion corresponding to the derecognized portion (where the transferred financial asset meets both of the following conditions: □ the Company's business model for managing the financial asset is to both collect contractual cash flows and sell the financial asset; □ the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding) and the allocated carrying amount of the entire financial asset shall be recognized in profit or loss for the current period.

If the Company continues to be involved in a transferred financial asset by providing a financial guarantee, an asset for the continuing involvement is recognized at the lower of the carrying amount of the financial asset and the amount of the financial guarantee. The amount of the financial guarantee is the maximum amount of the consideration received that could be required to be repaid.

(6) Conditions for derecognition of financial liabilities

A financial liability or part of it shall be derecognized when the present obligation is fully or partially discharged. If the Company enters into an agreement with a creditor to replace an existing financial liability with a new financial liability, and the contractual terms of the new financial liability are substantially different from those of the existing financial liability, the existing financial liability shall be derecognized, and the new financial liability shall be recognized simultaneously.

If the contractual terms of an existing financial liability are substantially modified in whole or in part, the existing financial liability or part of it is derecognized, and the financial liability with modified terms shall be recognized as a new financial liability.

When a financial liability is derecognized in whole or in part, the difference between the carrying amount of the derecognized financial liability and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) shall be recognized in profit or loss for the current period.

If the Company repurchases part of a financial liability, on the repurchase date, the carrying amount of the entire financial liability is allocated between the portion that continues to be recognized and the portion that shall be derecognized, based on their relative fair values. The difference between the carrying amount allocated to the derecognized portion and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) shall be recognized in profit or loss for the current period.

(7) Methods for determining the fair value of financial assets and financial liabilities

For a financial instrument for which there is an active market, its fair value shall be determined by the quoted price in the active market. For a financial instrument for which there is no active market, its fair value is determined by using a valuation technique. When performing a valuation, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to support the valuation, selects inputs that are consistent with the characteristics of the asset or liability that market participants would consider in a transaction for the relevant asset or liability, and gives priority to the use of relevant observable inputs. Unobservable inputs are used only when relevant observable inputs are not available or it is not practicable to obtain them.

(8) Distinction between financial liabilities and equity instruments and related accounting treatment

The Company distinguishes between financial liabilities and equity instruments in accordance with the following principles: (1) If the Company cannot unconditionally avoid an obligation to deliver cash or another financial asset to fulfill a contractual obligation, that contractual obligation meets the definition of a financial liability. Some financial instruments, although not explicitly containing terms and conditions that include an obligation to deliver cash or another financial asset, may indirectly form a contractual obligation through other terms and conditions. (2) If a financial instrument must or can be settled with the Company's own equity instruments, it is necessary to consider whether the Company's own equity instruments used to settle the instrument are a substitute for cash or another financial asset, or are to enable the holder of the instrument to enjoy a residual interest in the assets of the issuer after deducting all liabilities. If it is the former, the instrument is a financial liability of the issuer; if it is the latter, the instrument is an equity instrument of the issuer. In some cases, a financial instrument contract provides that the Company must or may settle the financial instrument with its own equity instruments, where the amount of the contractual right or contractual obligation is equal to the number of its own equity instruments to be received or delivered multiplied by their fair value at the time of settlement. Then, regardless of whether the amount of the contractual right or obligation is fixed, or varies wholly or partly based on changes in a variable other than the market price of the Company's own equity instruments (such as an interest rate, the price of a commodity, or the price of a financial instrument), the contract shall be classified as a financial liability.

When classifying a financial instrument (or its components) in the consolidated financial statements, the Company considers all terms and conditions agreed upon between the members of the Company and the holder of the financial instrument. If the Company as a whole has an obligation to deliver cash, another financial asset, or settle in another way that results in the instrument becoming a financial liability, the instrument shall be classified as a financial liability.

12. Inventories

(1) Classification of inventories

The Company's main business is the production and sale of electricity. Inventories mainly consist of materials and supplies consumed in the production process or in the provision of services, and mainly include fuel, raw materials, spare parts and maintenance equipment.

(2) Pricing method of inventories dispatched

Inventories shall be initially measured at cost when acquired, and the specific identification method is used for valuation when inventories are dispatched.

(3) Basis for determining the net realizable value of different categories of inventories

For inventories held for direct sale, such as finished goods and materials for sale, their net realizable value shall be determined by the estimated selling price of the inventory less the estimated selling expenses and related taxes and fees in the normal course of production and operation; for material inventories that need to be processed, their net realizable value is determined by the estimated selling price of the finished products produced less the estimated costs to be incurred until completion, estimated selling expenses and related taxes and fees in the normal course of production and operation;

For inventories held to fulfill sales contracts or service contracts, their net realizable value is calculated based on the contract price. If the quantity of inventories held is greater than the quantity ordered in the sales contract, the net realizable value of the excess portion of the inventories shall be calculated based on the general selling price.

At the end of the period, provision for inventory write-down shall be made on an individual inventory item basis; however, for inventories that are numerous and of low unit value, provision for inventory write-down is made by category of inventory; for inventories related to a product series produced and sold in the same region, having the same or similar ultimate use or purpose, and difficult to measure separately from other items, provision for inventory write-down is made on a combined basis.

After a provision for inventory write-down shall be made, if the factors that previously caused the write-down of the inventory value have disappeared, resulting in the net realizable value of the inventory being higher than its carrying amount, the provision is reversed to the extent of the amount of the inventory write-down provision previously made, and the amount of the reversal is recognized in profit or loss for the current period.

(4) Inventory system of inventories

The perpetual inventory system shall be adopted.

(5) Amortization method of low-value consumables and packaging materials

Low-value consumables are written off in full at one time; packaging materials are written off in full at one time.

13. Contract assets and contract liabilities

(1) Contract assets

A contract asset is the Company's right to consideration in exchange for goods that the Company has transferred to a customer when that right is conditional on something other than the passage of time. The Company's unconditional rights (i.e., conditional only on the passage of time) to consideration from a customer are presented separately as receivables.

For the determination method and accounting treatment of expected credit losses on contract assets, see Note III, 11 Impairment of Financial Instruments above regarding the accounting treatment of accounts receivable.

(2) Contract liabilities

Contract liabilities reflect the Company's obligation to transfer goods to a customer for which the Company has received consideration from the customer or for which an amount of consideration is due from the customer.

Contract assets and liabilities under the same contract are listed on a net basis.

14. Contract costs

The Company's assets related to contract costs include contract fulfillment costs and costs to obtain a contract. Based on their liquidity, contract fulfillment costs are presented in inventories and other non-current assets, and costs to obtain a contract are presented in other current assets and other non-current assets, respectively.

(1) Contract fulfillment costs

Contract fulfillment costs, i.e., costs incurred by the Company to fulfill a contract, that are not within the scope of relevant accounting standards for inventories, fixed assets, or intangible assets, and that simultaneously meet the following conditions, shall be recognized as an asset as contract fulfillment costs: the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify, including direct labor, direct materials, manufacturing overheads (or similar costs), costs that are explicitly chargeable to the customer, and other costs that are incurred only because the Company entered into the contract; the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and the costs are expected to be recovered.

(2) Contract acquisition cost

The incremental costs incurred by the company to obtain a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset, and amortized on the same basis as the revenue recognition related to the goods or services associated with that asset, with the amortization being recognized in profit or loss for the current period. If the amortization period of the asset does not exceed one year, it is recognized in profit or loss for the current period when incurred. Other costs incurred by the company to obtain the contract are recognized as an expense when incurred, except for those costs that are explicitly borne by the customer.

(3) Impairment of contract costs

If the carrying amount of an asset related to contract costs exceeds the difference between the following two amounts, the company will recognize an impairment provision for the excess amount and record it as an impairment loss: The expected remaining consideration that the company expects to receive from transferring the goods related to the asset; The estimated costs that will be incurred to transfer the related goods. After recognizing the impairment provision, if the circumstances that led to the impairment in previous periods change, such that the difference between the two amounts above exceeds the carrying amount of the asset, the previously recognized impairment provision will be reversed and recognized in profit or loss for the current period. However, the carrying amount of the asset after the reversal will not exceed the carrying amount that would have been determined if no impairment provision had been made as of the reversal date.

15. Assets held for sale

(1) The Company classifies non-current assets or disposal groups that meet the following conditions into the category of held for sale:

1) According to the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under the current situation;

2) The sale is highly probable, meaning that the company has made a decision regarding a sale plan and has obtained a firm purchase commitment, with the sale expected to be completed

within one year. If regulations require approval from the relevant authority or regulatory body before the sale can proceed, the approval has been obtained.

(2) The Company shall have a separately identifiable component that meets one of the following conditions, and this component has been disposed of or classified as held for sale:

1) The component represents a separate major business or a sole major business area;

2) The component is a part of the associated plan on the intended disposal of an independent major business or a sole major business area;

3) The component is a subsidiary acquired only for re-sale.

(3) Presentation

The Company presents non-current assets or assets of disposal groups classified as held for sale separately from other assets, and liabilities of disposal groups classified as held for sale separately from other liabilities in the balance sheet. Assets of non-current assets or disposal groups classified as held for sale and liabilities of disposal groups classified as held for sale are not offset against each other; instead, they are presented separately as current assets and current liabilities, respectively. In the income statement, the Company presents profit or loss from continuing operations and profit or loss from discontinued operations separately. Impairment losses, reversal amounts thereof, and gains or losses on disposal of non-current assets or disposal groups classified as held for sale that do not meet the definition of a discontinued operation shall be reported as profit or loss from continuing operations. Operating profit or loss including impairment losses and reversal amounts thereof, as well as gains or losses on disposal of a discontinued operation shall be reported as profit or loss from discontinued operations.

16. Long-term equity investments

The Company's long-term equity investments include investments in subsidiaries, investments in associates and equity investments in joint ventures.

(1) Judgment of significant influence and joint control

An equity investment in an investee over which the Company has significant influence represents an investment in an associate. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not constitute control or joint control over those policies.

An equity investment in which the Company exercises joint control over the investee together with other venturers and has rights to the net assets of the investee represents an investment in a joint venture. Joint control is the contractually agreed sharing of control over an arrangement, and decisions about the relevant activities of the arrangement require the unanimous consent of the parties sharing control. The Company determines the existence of joint control based on whether the arrangement is collectively controlled by all parties or a group of parties, and decisions regarding the relevant activities of the arrangement require the unanimous consent of such parties that collectively control the arrangement.

(2) Accounting treatment

The Company measures long-term equity investments at initial cost upon acquisition.

For long-term equity investments obtained through a business combination under common control, the initial investment cost is determined based on the carrying amount of the acquiree's net assets in the consolidated financial statements of the ultimate controlling party as of the combination date. Where the carrying amount of the acquiree's net assets on the combination date is negative, the initial investment cost is determined as zero.

For a long-term equity investment acquired through a business combination not under common control, the initial investment cost is the cost of the combination.

For long-term equity investments acquired other than through business combinations, those acquired by cash payment are measured at the purchase price actually paid plus directly attributable costs, taxes and other necessary expenditures incurred for the acquisition. Long-term equity investments acquired through the issuance of equity securities are measured at the fair value of the equity securities issued.

Investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements. Under the cost method, long-term equity investments are stated at initial investment cost. When additional investments are made, the carrying amount of long-term equity investments is increased by the fair value of the consideration paid for the additional investment and any directly attributable transaction costs. Cash dividends or profits declared by the investee are recognized as investment income in the current period based on the amount the Company is entitled to receive.

Investments in joint ventures and associates are accounted for using the equity method. Under the equity method, where the initial cost of a long-term equity investment exceeds the Company's share of the fair value of the investee's identifiable net assets at the acquisition date, no adjustment is made to the carrying amount of the long-term equity investment. Where the initial cost is less than the Company's share of the fair value of the investee's identifiable net assets at the acquisition date, the difference is added to the carrying amount of the long-term equity investment and recognized in profit or loss for the current period of investment.

For long-term equity investments subsequently measured using the equity method, the carrying amount is adjusted accordingly to increase or decrease in line with changes in the investee's owners' equity during the holding period. When recognizing the Company's share of the investee's profit or loss, the investee's net profit is adjusted based on the fair value of the investee's identifiable assets at the acquisition date, in accordance with the Company's accounting policies and accounting periods, and after eliminating the Company's proportionate share of unrealized intra-group profits or losses arising from transactions with associates and joint ventures that do not constitute a business (unrealized intra-group losses that constitute asset impairment losses are recognized in full). The Company recognizes its share of net losses incurred by the investee up to the limit of the carrying amount of the long-term equity investment plus any other long-term interests that in substance form part of the Company's net investment in the investee, unless the Company is obligated to bear additional losses.

Upon disposal of a long-term equity investment, the difference between its carrying amount and the actual proceeds received is recognized as investment income for the current period.

For a long-term equity investment accounted for using the equity method, when the equity method is discontinued, any related other comprehensive income previously recognized under the equity method is accounted for on the same basis as the investee would have directly disposed of the related assets or liabilities. All owners' equity recognized due to changes in the investee's owners' equity other than net profit or loss, other comprehensive income, and profit distribution is transferred to investment income for the current period when the equity method is discontinued.

If the remaining equity after the disposal of a portion of equity is still accounted for using the equity method, the related other comprehensive income previously accounted for under the equity method shall be treated on the same basis as the direct disposal of related assets or liabilities by the investee and shall be carried forward on a pro-rata basis. The owners' equity recognized due to changes in the investee's owners' equity other than net profit or loss, other comprehensive income, and profit distribution shall be carried forward to the investment income for the current period on a pro-rata basis.

If joint control or significant influence over the investee is lost after the disposal of a portion of the equity, the remaining equity after the disposal shall be recognized as a financial asset, and the difference between the fair value and the book value of the remaining equity on the date of loss of joint control or significant influence shall be included in the profit or loss for the current period.

If control over the investee is lost due to the disposal of a portion of a long-term equity investment, and the remaining equity after the disposal can exercise joint control or exert significant influence over the investee, it shall be accounted for using the equity method. The difference between the book value of the disposed equity and the disposal consideration shall be included in investment income, and the remaining equity shall be adjusted as if it had been accounted for using the equity method since its acquisition. If the remaining equity after the disposal cannot exercise joint control or exert significant influence over the investee, it shall be recognized as a financial asset. The difference between the book value of the disposed equity and the disposal consideration shall be included in investment income, and the difference between the fair value and the book value of the remaining equity on the date of loss of control shall be included in the profit or loss for the current period.

For the Company's multiple transactions of disposing of equity interests until loss of control, if the transactions do not constitute a single arrangement, accounting treatment is applied to each transaction separately. Where the transactions constitute a single arrangement, they are accounted for as a single transaction of disposing of a subsidiary and losing control. However, the difference between the disposal proceeds of each transaction prior to the loss of control and the carrying amount of the long-term equity investment corresponding to the disposed equity interest is recognized as other comprehensive income, and is transferred in aggregate to profit or loss in the period when control is lost.

17. Investment properties

Investment property refers to property held for the purpose of generating rental income or capital appreciation, or both. It includes land use rights leased out, land use rights held for capital appreciation, and buildings leased out (including buildings completed through self-construction or development activities for leasing purposes, as well as buildings under construction or development intended for leasing in the future).

The Company measures its existing investment properties using the cost model. For investment properties measured under the cost model, depreciation policies for buildings held for rental purposes are consistent with those applied to the Company‘s property, plant and equipment, and amortization policies for land use rights held for rental purposes are consistent with those applied to intangible assets.

18. Fixed assets

(1) Recognition criteria for fixed assets

Fixed assets of the Company are tangible assets held for the production of goods, provision of services, rental, or administrative and operating purposes, with a useful life exceeding one year.

Fixed assets are recognized when it is probable that the economic benefits associated with them will flow to the Company and their costs can be measured reliably. The Company's fixed assets include buildings and structures, machinery and equipment, electronic equipment, transportation equipment, office equipment, etc.

(2) Depreciation method

Depreciation of fixed assets is provided for by category using the straight-line method (or: units-of-production method, double-declining balance method, and sum of the years' digits method, etc.). The depreciation rate is determined based on the category, estimated useful life, and estimated net residual value of the fixed assets. If the components of a fixed asset have different useful lives or provide economic benefits to the enterprise in different ways, different depreciation rates or methods are selected and depreciation is provided for separately.

The depreciation methods, depreciation years, residual value rates and annual depreciation rates of various categories of fixed assets are as follows:

Category	Depreciation method	Depreciation life (year)	Residual value rate (%)	Annual depreciation rate (%)
Houses and buildings	Straight-line method	20 years	0-10	4.5-5
House decoration	Straight-line method	10 years	0-5	9.5-10
Machinery and equipment - Gas turbine generator sets	Units-of-production method	-	0-10	-
Machinery and equipment (excluding gas turbine generator sets)	Straight-line method	10-20 years	0-5	4.75-9.50
Means of transportation	Straight-line method	5 years	0-5	19-20
Electronic equipment	Straight-line method	5 years	0-5	19-20
Other equipment	Straight-line method	5 years	0-5	19-20

Note: The change in the Useful Life and annual depreciation rate of machinery and equipment (excluding gas turbine generator sets) during this period is due to the addition of independent energy storage equipment by the Company's subsidiary, Shenzhen Nanshan Power Xiwan Company. According to the setting of the Useful Life in the financial evaluation of the feasibility study report for the 300MW/600MWh Independent Energy Storage Power Station (Phase I Project) in Cuiheng New District, Zhongshan City, and in combination with the Company's business conditions and industry practices, the Useful Life of the energy storage battery cabins is set at 10 years. The determination of the Useful Life for the newly added independent energy storage equipment this time is the first accounting estimate made based on its economic characteristics at the time of initial recognition of the asset, and it is not an adjustment to the Useful Life of the Company's original machinery and equipment. Therefore, this matter does not constitute a change in accounting estimates.

(3) Subsequent expenditures

Subsequent expenditures on fixed assets refer to expenditures for renewal and renovation, repair costs, etc., incurred during the use of fixed assets. Subsequent expenditures on fixed assets, such as renewal and renovation, that meet the capitalization criteria shall be included in the cost of fixed assets, and the book value of the replaced part shall be deducted at the same time; repair costs and other expenses for fixed assets that do not meet the capitalization criteria shall be included in the profit or loss for the current period when incurred.

19. Construction in progress

The cost of construction in progress is determined based on actual project expenditures, including all necessary project expenditures incurred during the construction period, borrowing costs that should be capitalized before the project reaches the intended usable state, and other related expenses.

The Company's construction in progress is classified into infrastructure projects, technical transformation projects, integrated energy services, information technology development, etc.

Construction in progress projects are recorded as the carrying amount of fixed assets based on the necessary expenditures incurred to bring the asset to its intended usable state. For a constructed fixed asset that has reached its intended useable state but for which the final accounts have not yet been completed, it shall be transferred to fixed assets at an estimated value based on the project budget, cost, or actual project cost, etc., from the date it reaches the intended usable state. Depreciation of the fixed asset shall be provided for in accordance with the Company's fixed asset depreciation policy. After the final accounts are completed, the original provisional estimated value shall be adjusted based on the actual cost, but the previously provided depreciation amount shall not be adjusted.

Criteria for transferring construction in progress to fixed assets upon reaching the prescribed usable state are as follows:

Item	Criteria and timing for transfer to fixed assets
Houses and buildings	(1) The main construction project and supporting projects have been substantially completed; (2) The construction project has met the intended design requirements and has been accepted by units such as survey, design, construction, and supervision; (3) It has been accepted by external departments such as fire protection, land, and planning; (4) If the construction project has reached the intended usable state but the final accounts have not yet been completed, it shall be transferred to fixed assets at an estimated value based on the actual project cost from the date it reaches the intended usable state.
Machinery equipment	(1) The relevant equipment and other supporting facilities have been installed; (2) The equipment has been commissioned and can maintain normal and stable operation for a period of time; (3) The production equipment can stably produce qualified products for a period of time; (4) The equipment has been accepted by asset management personnel and users.

20. Borrowing costs

(1) Recognition principles of capitalization of borrowing costs

Borrowing costs include interest on borrowings, amortization of discounts or premiums, ancillary expenses, and exchange differences arising from foreign currency borrowings.

Borrowing costs incurred that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized and included in the cost of the relevant asset; other borrowing costs are recognized as an expense in the period in which they are incurred and included in profit or loss for the current period.

Qualifying assets refer to assets such as fixed assets, investment property and inventories that require a substantial period of construction or production activities to reach the intended usable or salable state.

Capitalization of borrowing costs commences when all of the following conditions are met:

1) Asset expenditures have been incurred. Asset expenditures include expenditures in the form of cash payments, transfer of non-cash assets, or assumption of interest-bearing liabilities for the acquisition, construction or production of a qualifying asset;

2) Borrowing costs have been incurred;

3) The acquisition, construction or production activities that are necessary to prepare the asset for its intended use or sale have begun.

(2) Capitalization period of borrowing costs

The capitalization period is the period from the commencement of capitalization of borrowing costs to the cessation of capitalization, excluding any periods in which capitalization is suspended.

Capitalization of borrowing costs ceases when the qualifying asset acquired, constructed or produced is ready for its intended use or sale.

When parts of a qualifying asset acquired, constructed or produced are completed separately and can be used individually, capitalization of borrowing costs for that part of the asset ceases.

If the various parts of an asset being acquired, constructed or produced are completed separately but cannot be used or sold externally until the entire asset is completed, capitalization of borrowing costs ceases when the entire asset is completed.

(3) Period of suspension of capitalization

If an abnormal interruption occurs during the acquisition, construction or production of a qualifying asset, and the interruption lasts for a continuous period of more than 3 months, the capitalization of borrowing costs is suspended. If such interruption is a necessary procedure to get the qualifying asset ready for its intended use or sale, the capitalization of borrowing costs continues. Borrowing costs incurred during the interruption period are recognized as profit or loss for the current period, and capitalization of borrowing costs resumes after the acquisition, construction or production activities of the asset restart.

(4) Methods for Calculating Capitalization Rate and Capitalized Amount of Borrowing Costs

For specific borrowings incurred for the acquisition, construction or production of qualifying assets, the capitalized amount of borrowing costs is determined as the borrowing costs actually incurred during the period, less any interest income from placing the unused borrowings in banks or investment income from temporary investments of such borrowings.

For general borrowings utilized in the acquisition, construction or production of qualifying assets, the amount of borrowing costs eligible for capitalization is determined by multiplying the weighted average of asset expenditures in excess of the specific borrowings by the capitalization rate applicable to the general borrowings. The capitalization rate is calculated based on the weighted average interest rate of the general borrowings.

21. Right-of-use assets

Except for short-term leases and leases of low-value assets, the Company recognizes right-of-use assets for leases at the commencement date of the lease term. The commencement date of the lease term refers to the date on which the lessor makes the leased asset available for use by the Company. Right-of-use assets are initially measured at cost, which includes:

(1) The initial measurement amount of the lease liability;

(2) Lease payments made on or before the commencement date of the lease term, less any related lease incentives received;

(3) Initial direct costs incurred by the Company;

(4) The estimated costs to be incurred by the Company for dismantling and removing the leased asset, restoring the site on which the leased asset is located, or restoring the leased asset to the condition required by the terms and conditions of the lease, excluding costs incurred for the production of inventories.

The Company depreciates right-of-use assets by reference to the relevant depreciation provisions of Accounting Standards for Business Enterprises No. 4 – Fixed Assets. If the Company can reasonably determine that it will obtain ownership of the leased asset at the end of the lease term, the right-of-use asset is depreciated over the remaining useful life of the leased asset. If such ownership cannot be reasonably determined, the right-of-use asset is depreciated over the shorter of the lease term and the remaining useful life of the leased asset.

According to the Accounting Standards for Business Enterprises No.8-Impairment of Assets, the Company determines whether the right-to-use assets have been impaired, and carries out accounting treatment for the identified impairment losses.

22. Intangible assets

Intangible assets, including land use rights, patented technologies, and software, are initially measured at actual cost.

(1) Valuation method of intangible assets

1) Initial measurement of intangible assets

The cost of externally acquired intangible assets includes the purchase price, related taxes, and other expenses directly attributable to bringing the asset to its intended use. If the purchase price of the intangible asset exceeds normal credit terms and is deferred for payment, essentially having a financing nature, the cost of the intangible asset is determined based on the present value of the purchase price.

The intangible assets acquired through debt restructuring, which are used by the debtor to settle the debt, are recognized at their carrying amount based on the fair value of the waived receivables and other costs, such as taxes, directly attributable to bringing the asset to its intended use. The difference between the fair value and the carrying amount of the waived receivables is recognized in profit or loss for the current period.

In the case of a non-monetary asset exchange that has commercial substance, and where the fair values of both the exchanged asset and the acquired asset can be reliably measured, the intangible asset acquired in the exchange is recognized at the fair value of the exchanged asset, unless there is conclusive evidence that the fair value of the acquired asset is more reliable. If the aforementioned conditions are not met, the cost of the acquired intangible asset is based on the carrying amount of the exchanged asset and the related taxes payable, with no recognition of profit or loss.

2) Subsequent measurement

The useful life of an intangible asset is analyzed and determined upon its acquisition.

For an intangible asset with a finite useful life, it is amortized over the period in which it is expected to generate economic benefits for the enterprise using the straight-line method; if the period in which an intangible asset is expected to generate economic benefits for the enterprise cannot be foreseen, it is regarded as an intangible asset with an indefinite useful life and is not amortized.

(2) Estimation of the useful life of intangible assets with a finite useful life

Category	Amortization method	Amortization period (years)	Basis for use
Land use right	Straight-line method	30-50	Within the validity period of the land title certificate
Patented technology	Straight-line method	10	Patent certificate
Software	Straight-line method	5	Usable period of the software

(3) Basis for determining intangible assets with an indefinite useful life and the

procedures for reviewing their useful lives

The useful life of an intangible asset with an indefinite useful life is reviewed, and if there is evidence that the period in which the intangible asset is expected to generate economic benefits for the enterprise is foreseeable, its useful life is estimated and it is amortized in accordance with the amortization policy for intangible assets with a finite useful life.

(4) Specific criteria for distinguishing between the research phase and the development phase

The expenditure of the Company's internal research and development projects is divided into research phase expenditure and development phase expenditure.

Research phase: The phase of original and planned investigation and research activities to acquire and understand new scientific or technological knowledge.

Development phase: The phase before commercial production or use, in which research findings or other knowledge are applied to a plan or design to produce new or substantially improved materials, devices, products, etc.

Specific criteria for capitalization of development phase expenditure

Expenditure in the development phase of an internal research and development project is recognized as an intangible asset when all of the following conditions are met:

1) It is technically feasible to complete the intangible asset so that it can be used or sold;

2) There is an intention to complete the intangible asset and use or sell it;

3) The way in which the intangible asset generates economic benefits, including being able to prove that there is a market for the products produced using the intangible asset or that there is a market for the intangible asset itself, and if the intangible asset is to be used internally, its usefulness can be demonstrated;

4) There are sufficient technical, financial and other resources to support the completion of the development of the intangible asset, and the ability to use or sell the intangible asset;

5) The expenditure attributable to the development phase of the intangible asset can be measured reliably.

23. Impairment of long-term assets

Long-term assets such as long-term equity investments, investment properties measured at cost model, fixed assets, construction in progress, right-of-use assets, and intangible assets with finite useful lives are tested for impairment if there are indications of impairment at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of an asset is lower than its carrying amount, an impairment provision is made for the difference and charged to impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the asset's estimated future cash flows. The impairment provision for an asset is calculated and recognized on the basis of the individual asset. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs is determined. An asset group is the smallest combination of assets that can generate cash inflows independently.

Goodwill, intangible assets with indefinite useful lives, and intangible assets not yet ready for use are tested for impairment at least at the end of each year.

The Company conducts impairment tests on goodwill. For the carrying amount of goodwill arising from a business combination, it is allocated to the relevant asset groups on a reasonable basis from the acquisition date; if it is difficult to allocate to the relevant asset groups, it is allocated to the relevant asset group combinations. When allocating the carrying amount of goodwill, the Company allocates it based on the relative benefits that the relevant asset groups or asset group combinations can obtain from the synergies of the business combination, and conducts goodwill impairment tests on this basis.

When testing for impairment of a relevant asset group or asset group combination containing goodwill, if there are indications of impairment in the asset group or asset group combination related to goodwill, the asset group or asset group combination not containing goodwill is tested for impairment first, its recoverable amount is calculated and compared with the relevant carrying amount to recognize the corresponding impairment loss. Then, the asset group or asset group combination containing goodwill is tested for impairment, and the carrying amount of these relevant asset groups or asset group combinations (including the allocated portion of the carrying amount of goodwill) is compared with their recoverable amount. If the recoverable amount of the relevant asset group or asset group combination is lower than its carrying amount, the impairment loss of goodwill is recognized. The above asset impairment loss, once recognized, shall not be reversed in subsequent accounting periods.

The above asset impairment loss, once recognized, shall not be reversed in subsequent accounting periods.

24. Long-term deferred expenses

(1) Amortization method

The Company's long-term deferred expenses include major repair expenditures, decoration costs, etc. Long-term deferred expenses refer to various expenses that have been incurred but have a benefit period of more than one year (excluding one year). Long-term deferred expenses are amortized over the benefit period of the expense item. If a long-term deferred expense item cannot benefit future accounting periods, the entire unamortized carrying amount of the item is transferred to profit or loss for the current period.

The decoration of leased properties is recognized as long-term deferred expenses and amortized over the shorter of the following periods:

(1) The estimated useful life of the decoration (the estimated time until the next decoration);

(2) The estimated remaining useful life of the main structure of the building.

For subsequent expenditures that do not meet the recognition criteria for fixed assets, such as major repair expenses, the Company recognizes them as long-term deferred expenses in the year they are incurred and subsequently amortizes them over the benefit period.

(2) Amortization period

Item	Amortization period
Renovation of leased fixed assets	The shorter of the estimated useful life of the renovation and the estimated remaining useful life of the main structure of the building
Major repair expenditure for fixed assets	Overhaul cycle of gas generator sets

25. Employee remuneration

The Company's employee benefits include short-term compensation, post-employment benefits, termination benefits, and other long-term benefits.

(1) Accounting treatments of short-term compensation

During the accounting period in which an employee provides services to the Company, the Company recognizes the actual short-term compensation incurred as a liability and includes it in profit or loss for the current period or the cost of a relevant asset.

The Company’s social insurance premiums and housing provident fund contributions paid for employees, as well as union funds and employee education funds accrued in accordance with regulations, are recognized as corresponding employee remuneration during the accounting periods in which employees render services to the Company, based on the prescribed accrual bases and ratios.

If employee welfare expenses are non-monetary benefits and can be reliably measured, they are measured at fair value.

(2) Accounting treatments of post-employment benefits

Defined contribution plans

The Company contributes to basic pension insurance and unemployment insurance for its employees in accordance with relevant local government regulations. During the accounting period in which employees provide services to the Company, the amount payable is calculated based on the local contribution base and ratio, recognized as a liability, and included in profit or loss for the current period or the cost of a relevant asset.

In addition to basic pension insurance, the Company has also established an enterprise annuity contribution system and an enterprise annuity plan in accordance with the relevant policies of the national enterprise annuity system. The Company makes contributions to local social insurance institutions/annuity plans at a certain percentage of the total wages of its employees, and the corresponding expenditures are included in profit or loss for the current period or the cost of a relevant asset.

(3) Accounting treatments of dismissal benefits

The Company recognizes a liability for employee benefits arising from termination benefits and records it in profit or loss for the current period at the earlier of when it can no longer unilaterally withdraw the termination benefits offered under a termination plan or redundancy proposal, or when it recognizes costs or expenses relating to a restructuring involving the payment of termination benefits.

26. Lease liabilities

Except for short-term leases and leases of low-value assets, the Company initially measures the lease liability at the commencement date of the lease term at the present value of the lease payments that are not yet paid at that date. When calculating the present value of lease payments, the Company uses the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate is used as the discount rate.

Lease payments refer to the payments made by the Company to the lessor in connection with the right to use the leased asset during the lease term, including:

(1) Fixed payments and in-substance fixed payments, less any lease incentives;

(2) Variable lease payments that depend on an index or a rate;

(3) The exercise price of a purchase option that the Company is reasonably certain to exercise;

(4) Amounts payable for exercising the lease termination option, if the lease term reflects that the Company will exercise such option;

(5) Amounts expected to be payable by the Company under residual value guarantees.

Variable lease payments that depend on an index or a rate are initially measured using the index or rate as at the commencement date. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss for the current period or the cost of a relevant asset when they are actually incurred.

After the lease commencement date, the Company calculates the interest expenses of the lease liabilities for each period of the lease term at a fixed cyclical interest rate and includes it in the current profit or loss or related asset costs.

After the commencement of the lease term, if the following circumstances occur, the Company will re-measure the lease liabilities and adjust the corresponding right-to-use assets. If the book value of the right-to-use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the Company will include the difference in the current profits and losses:

(1)If the lease term changes or the evaluation result of the purchase option changes, the Company will re-measure the lease liabilities according to the present value calculated by the changed lease payment amount and the revised discount rate;

(2)If the estimated payable amount according to the guarantee residual value or the index or proportion used to determine the lease payment changes, the Company will re-measure the lease liabilities according to the present value calculated by the changed lease payment amount and the original discount rate. If changes in lease payments result from variations in floating interest rates, the revised discount rate is used to calculate the present value.

Lease liabilities are presented as current liabilities or non-current liabilities in the balance sheet based on their liquidity. The carrying amount at the end of the period of non-current lease liabilities that are due for settlement within one year from the balance sheet date is presented under the item "non-current liabilities due within one year".

27. Estimated liabilities

(1) Recognition criteria for provisions

When a business related to a contingency, such as pending litigation or arbitration, or a guarantee-type quality assurance, simultaneously meets the following conditions, the Company recognizes it as a liability: the obligation is a present obligation of the Company; the fulfillment of the obligation is likely to result in an outflow of economic benefits from the enterprise; and the amount of the obligation can be measured reliably.

(2) Measurement methods for various types of provisions

Provisions are initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account factors such as risks, uncertainties, and the time value of money related to the contingency. The Company reviews the current best estimate on the balance sheet date and adjusts the carrying amount of the provisions.

The best estimate is handled as follows in different situations:

If there is a continuous range of required expenditure and all outcomes within that range are equally probable, the best estimate is determined as the midpoint of the range, i.e. the average of the upper and lower limits.

If there is no continuous range of required expenditure, or if a continuous range exists but the outcomes within the range are not equally probable, the best estimate is determined as follows: for a single item under the contingent event, at the most likely amount; for multiple items under the contingent event, based on the various possible outcomes and their associated probabilities.

If all or part of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement amount is recognized as a separate asset only when it is virtually certain that it will be received. The amount of reimbursement recognized shall not exceed the carrying amount of the provision.

Provisions expected to be paid within one year from the balance sheet date are presented as current liabilities.

28. Business income

Accounting policies adopted for revenue recognition and measurement disclosed by business type. The Company's revenue is mainly derived from the following business types:

(1) Revenue from power generation and sales; (2) Revenue from integrated energy services; (3) Other revenue.

(1) General principles

The Company recognizes revenue when it has satisfied a performance obligation in a contract, which is when the customer obtains control of the related goods or services. Obtaining control of the related goods or services means being able to direct the use of and obtain substantially all of the remaining benefits from the goods or services.

A performance obligation refers to the Company's promise in a contract to transfer to a customer a distinct good or service. A performance obligation of the Company is satisfied over time if one of the following criteria is met; otherwise, it is satisfied at a point in time: □ the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; □ the customer controls the asset as it is created or enhanced by the Company's performance; □ the Company's performance does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date.

For performance obligations satisfied over time, the Company recognizes revenue over that period in accordance with the progress of performance. When the progress of performance cannot be reasonably determined, but the costs incurred by the Company are expected to be recovered, revenue is recognized to the extent of the costs incurred until the progress of performance can be reasonably determined.

For performance obligations satisfied at a point in time, the Company recognizes revenue at the point in time when the customer obtains control of the related goods. In determining whether a customer has obtained control of the goods, the Company considers the following indicators: □ the Company has a present right to payment for the asset, meaning the customer has a present obligation to pay for the asset; □ the Company has transferred legal title to the asset to the customer, meaning the customer has legal title to the asset; □ the Company has transferred physical possession of the asset to the customer, meaning the customer has physical possession of the asset; □ the Company has transferred the significant risks and rewards of ownership of the asset to the customer, meaning the customer has obtained the significant risks and rewards of ownership of the asset; □ the customer has accepted the asset; □ other indicators that the customer has obtained control of the asset.

If a contract contains two or more performance obligations, the Company allocates the transaction price to each individual performance obligation on the contract start date based on the relative proportion of the stand-alone selling prices of the goods or services promised for each performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to the customer. When determining the transaction price, the Company considers the effects of factors such as variable consideration and the existence of a significant financing component in the contract.

If a contract contains variable consideration, the Company determines the best estimate of variable consideration using the expected value method or the most likely amount method. The transaction price including variable consideration is limited to the amount for which it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. At each balance sheet date, the Company revises its estimate of the amount of variable consideration to be included in the transaction price.

If a contract contains a significant financing component, the Company determines the transaction price as the amount of consideration that the customer would have paid if the customer had paid cash upon obtaining control of the goods. The difference between the determined transaction price and the promised consideration in the contract is amortized using the effective interest method over the contract term, using a discount rate that discounts the nominal amount of the contract consideration to the cash selling price of the goods. At the contract inception date, if the Company expects the time interval between the customer obtaining control of the goods or services and the customer paying the consideration to be no more than one year, the significant financing component in the contract is not considered.

(2) Principal and Agent

The Company determines whether its role in a transaction is that of a principal or an agent based on whether it controls the goods prior to transferring them to the customer. If the Company controls the goods before their transfer to the customer, it acts as a principal and recognizes revenue at the gross amount of consideration received or receivable. Otherwise, the Company acts as an agent and recognizes revenue at the amount of commission or fee to which it expects to be entitled, which is determined as the net amount of the total consideration received or receivable less the amount payable to other relevant parties, or based on a fixed commission amount or rate.

(3) Sales with quality assurance clauses

For sales with quality assurance clauses, if the quality assurance provides a separate service in addition to assuring the customer that the goods or services sold meet the established standards, the quality assurance constitutes a single performance obligation. Otherwise, the Company accounts for product warranty liabilities in accordance with the Accounting Standards for Business Enterprises No. 13 – Contingencies.

(4) Specific principles

The Company recognizes revenue when it has satisfied a performance obligation in a contract, which is when the customer obtains control of the related goods or services. Obtaining control of the related goods or services means being able to direct the use of and obtain substantially all of the remaining benefits from the goods or services.

(1) Revenue from power generation and sales

When electricity is delivered to the power grid company as stipulated in the electricity sales contract, meaning the power grid company obtains control of the electricity, the Company recognizes the realization of sales revenue.

(2) Revenue from integrated energy services

The revenue from services provided by the Company to customers mainly consists of engineering labor and services such as operation and maintenance, management, commissioning, and overhaul, as well as integrated energy service revenue from industrial and commercial energy storage, electricity sales business, and independent energy storage power station business. If multiple performance obligations are involved, they should be reasonably split, and the equipment sales therein should be handled with reference to the sales of goods business. The provision of labor and services is generally handled according to the performance obligations fulfilled over a period of time, using the output method. The specific requirements are as follows:

1) Supporting equipment sales business

For the equipment sales business, revenue is recognized when the customer obtains control of the equipment. Typically, the transfer of completed or delivered products to the customer, with the customer's signed acceptance, is the point of recognition. Based on the contract terms, the supplementary requirements for revenue recognition include, but are not limited to, sales contracts, goods issue notes, customer sign-off confirmation forms, equipment acceptance certificates, or customs declarations.

2) Labor and services provided

① Revenue recognition and settlement for such business shall comply with the provisions of the business contract between the two parties. At the end of each settlement period, upon obtaining the elements specified in the contract, such as attendance sheets and service review forms confirmed by both parties, these shall serve as proof of cumulative revenue recognition for that settlement period and as materials for claiming service payments.

② On each balance sheet date within a settlement period, revenue is provisionally estimated based on the progress of performance. When using the output method to determine the progress of performance, output indicators such as the actual measured progress of completion, evaluation of results achieved, milestones reached, time elapsed, and products completed or delivered are usually combined.

3) Integrated energy service revenue from industrial and commercial energy storage and electricity sales business

For the industrial and commercial energy storage service business, at the end of each settlement period, the charge and discharge records of the energy storage project are checked and confirmed with the customer, and an electricity bill settlement confirmation form for the energy storage power station is signed. The service fees are provisionally estimated to recognize revenue. Formal settlement is made based on the actual electricity bill issued by the power supply bureau at the beginning of each month, the provisionally estimated revenue is adjusted, and the energy service revenue is confirmed.

For the electricity sales business service, the energy service revenue for the month is confirmed based on the electricity sales revenue settlement statement from Guangdong Power Exchange Center Co., Ltd.

4) Revenue from Spot Energy and Frequency Regulation Ancillary Services for Independent Energy Storage Power Station Business

This business involves fulfilling performance obligations over a period of time. The Company recognizes revenue in the period when it provides electricity energy trading and frequency regulation ancillary services, at the time when the customer obtains control of the services and the performance is completed.

The monthly settlement statement for spot electricity energy and the final settlement statement for frequency regulation ancillary services are usually issued by the power exchange center in the middle of the following month and the middle of the month after next, respectively. To adhere to the accrual basis of accounting, on each balance sheet date, the Company uses the best estimate to provisionally book the revenue that has been realized in the current period but for which formal settlement documents have not yet been obtained. This is based on the volume of services actually completed (actual discharge amount, frequency regulation mileage, etc.) and reasonably determinable settlement bases such as the average day-ahead/real-time spot clearing price, frequency regulation clearing price, and performance factors. After obtaining the formal settlement documents from the power exchange center, the difference between the formally settled amount and the original provisionally estimated amount is adjusted and recognized as operating revenue in the period when the settlement documents are obtained, without retrospective adjustment to prior period financial statements.

29. Government subsidies

(1) Types

Government grants are monetary and non-monetary assets that the Company obtains from the government free of charge. They are divided into government grants related to assets and government grants related to income.

Among them, government grants related to assets are government grants obtained by the Company for the purpose of acquiring, constructing, or otherwise forming long-term assets. Government grants related to income are government grants other than those related to assets. If the government documents do not explicitly specify the object of the grant, the Company makes a judgment based on the above distinction principles. If it is difficult to distinguish, it is classified as a government grant related to income as a whole.

(2) Timing of recognition

If there is evidence at the end of the period that the Company can meet the relevant conditions stipulated in the fiscal support policies and is expected to receive the fiscal support funds, the government grant is recognized based on the amount receivable. Otherwise, government grants are recognized upon actual receipt.

If a government grant is a monetary asset, it is measured at the amount received or receivable. If a government grant is a non-monetary asset, it is measured at fair value; if the fair value cannot be reliably obtained, it is measured at a nominal amount (RMB 1). Government grants measured at a nominal amount are directly recognized in profit or loss for the current period.

(3) Accounting treatment

Government grants related to assets are used to offset the carrying amount of the related assets or are recognized as deferred income. If recognized as deferred income, they are recognized in profit or loss for the current period on a systematic and reasonable basis over the useful life of the related assets (if related to the Company's daily activities, they are included in other income; if not related to the Company's daily activities, they are included in non-operating income).

For government grants related to income that are intended to compensate for related costs, expenses, or losses of the Company in future periods, they are recognized as deferred income and are recognized in profit or loss for the current period (if related to the Company's daily activities, included in other income; if not related to the Company's daily activities, included in non-operating income) or offset against the related costs, expenses, or losses in the period when the related costs, expenses, or losses are recognized. For those intended to compensate for related costs, expenses, or losses already incurred by the Company, they are directly recognized in profit or loss for the current period (if related to the Company's daily activities, included in other income; if not related to the Company's daily activities, included in non-operating income) or offset against the related costs, expenses, or losses.

When the Company obtains policy-based preferential loan interest subsidies, it distinguishes between two situations: where the government allocates the interest subsidy funds to the lending bank and where the government allocates the interest subsidy funds directly to the Company, and applies the following principles for accounting treatment respectively:

1) If the government allocates the interest subsidy funds to the lending bank, which then provides loans to the Company at a policy-based preferential interest rate, the Company records the loan at the actual amount of borrowing received and calculates the related borrowing costs based on the loan principal and the policy-based preferential interest rate.

2) If the government allocates the interest subsidy funds directly to the Company, the Company offsets the corresponding interest subsidy against the related borrowing costs.

30. Deferred income tax assets and deferred income tax liabilities

Deferred tax assets are recognized for deductible temporary differences to the extent of the taxable income that is likely to be available in future periods to offset such deductible temporary differences. For deductible losses and tax credits that can be carried forward to subsequent years, corresponding deferred tax assets are recognized to the extent of the taxable income that is likely to be available in future periods to offset such deductible losses and tax credits.

For taxable temporary differences, a deferred tax liability is recognized, except in special circumstances.

Special circumstances in which deferred tax assets or deferred tax liabilities are not recognized include: the initial recognition of goodwill; and other transactions or events, other than those in a business combination, that affect neither accounting profit nor taxable income (or deductible losses) at the time of occurrence.

When the Group has a legal right to settle on a net basis and intends to settle with net amount or acquire assets and pay off liabilities simultaneously, the Company reports the net amount of current income tax assets and current tax liabilities after offsetting.

When the taxpayer has the legal right to settle the current income tax assets and liabilities on a net basis, and the deferred income tax assets and liabilities are related to the income tax levied by the same tax collection department on the same taxpayer or to different taxpayers, but in the future, the taxpayers involved intend to settle the current income tax assets and liabilities on a net basis, or acquire assets and pay off liabilities at the same time, the Group's deferred income tax assets and liabilities are presented on an offset net basis.

31. Leasing

(1) Identification of leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of one or more identified assets for a period of time in exchange for consideration.

If a contract contains more than one separate lease, the Company separates the contract and accounts for each separate lease. If a contract contains both lease and non-lease components, the Company separates the lease and non-lease components for accounting treatment. Each lease component is accounted for in accordance with the lease standards, while the non-lease components are accounted for in accordance with other applicable accounting standards for business enterprises.

(2) The Company as a lessee

1) Lease recognition

With the exception of short-term leases and leases of low-value assets, the Company recognizes the right-of-use assets and lease liabilities for leases on the lease commencement date.

A right-of-use asset is the right of the Company as a lessee to use a leased asset during the lease term, and it is initially measured at cost. This cost includes: □ the amount of the initial measurement of the lease liability; □ lease payments made on or before the commencement date of the lease term, less any lease incentives received; □ any initial direct costs incurred; and □ an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories). If the Company remeasures the lease liability in accordance with the relevant provisions of the lease standards, the carrying amount of the right-of-use asset is adjusted accordingly.

The Company depreciates right-of-use assets using the straight-line method according to the expected consumption pattern of the economic benefits inherent in such assets. Where it can be reasonably determined that the Company will obtain ownership of the leased asset upon the expiration of the lease term, depreciation is provided over the remaining useful life of the leased asset. Where it cannot be reasonably determined that the Company will obtain ownership of the leased asset upon the expiration of the lease term, depreciation is provided over the shorter of the lease term and the remaining useful life of the leased asset. The depreciation charges are included in the cost of relevant assets or profit or loss for the current period based on the purpose of use of the right-of-use assets.

The Company initially measures the lease liability at the present value of the lease payments that are not yet paid at the commencement date of the lease term. Lease payments include: □ fixed payments and in-substance fixed payments, less any lease incentives; □ variable lease payments that depend on an index or a rate; □ the exercise price of a purchase option if the Company is reasonably certain to exercise that option; □ payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease; and □ payments expected to be made by the Company under residual value guarantees.

In calculating the present value of lease payments, the Company uses the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be determined, the Company uses the incremental borrowing rate as the discount rate. The Company calculates interest expenses on lease liabilities for each period during the lease term using a fixed periodic interest rate, which is recognized in profit or loss for the current period, except for amounts that should be capitalized.

After the commencement date of the lease term, when the Company recognizes interest on the lease liability, it increases the carrying amount of the lease liability; when it makes lease payments, it reduces the carrying amount of the lease liability. When there is a change in in-substance fixed payments, a change in the amounts expected to be payable under a residual value guarantee, a change in the index or rate used to determine lease payments, or a change in the assessment or actual exercise of a purchase option, renewal option, or termination option, the Company remeasures the lease liability at the present value of the revised lease payments.

2) Short-term leases and leases of low-value assets

The Company elects not to recognize right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and for leases of low-value assets where the underlying asset is of low value when new. The Company recognizes the lease payments relating to short-term leases and leases of low-value assets in the cost of relevant assets or in profit or loss for the period using the straight-line method or another systematic and rational basis over the lease term.

(3) The Company as a lessor

As a lessor, if a lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset, the Company classifies the lease as a finance lease; otherwise, it is classified as an operating lease.

1) Finance lease

At the commencement date of the lease term, the Company recognizes a receivable under a finance lease and derecognizes the finance lease asset. When the Company initially measures the receivable under a finance lease, the net investment in the lease is used as the carrying amount of the receivable under the finance lease.

The net investment in the lease is the sum of the present value of the unguaranteed residual value and the lease receivables not yet received at the commencement date of the lease, discounted using the interest rate implicit in the lease. The Company calculates and recognizes interest income for each period during the lease term using a fixed periodic interest rate. Variable lease payments received by the Company that are not included in the measurement of the net investment in the lease are recognized in profit or loss in the period in which they occur.

2) Operating lease

During each period of the lease term, the Company recognizes the lease receipts of operating leases as rental income by using the straight-line method.

Initial direct costs incurred by the Company in connection with operating leases are capitalized to the cost of the underlying leased assets and are recognized in profit or loss on a straight-line basis over the lease term, consistent with the recognition of rental income. Variable lease payments relating to operating leases received by the Company that are not included in lease receivables are recognized in profit or loss in the period in which they are earned.

In case of any modifications in operating leases, the Company accounts for the modified lease as a new lease from the effective date of the modification, and the advance or receivable lease receipts related to the lease before the modification is regarded as the receipt amount of the new lease.

32. Special reserves

The Company's work safety costs, which are accrued for its power generation and sales business in accordance with national regulations, are recorded in the costs of related products or profit or loss for the current period, and are simultaneously recorded under the "special reserve" account. The current accrual standard is based on the operating revenue of the previous year, and the amount to be accrued for the current year is determined using the progressive charge on a regressive basis method. This amount is accrued on an average monthly basis and recorded in the costs of related products or profit or loss for the current period, while also being recorded under the "special reserve" account. When the Company uses the special reserve, expenditures of a revenue nature are directly charged against the special reserve; those that form fixed assets are recognized as fixed assets when the related assets reach their intended usable condition. At the same time, the special reserve is reduced by the cost of the fixed assets formed, and accumulated depreciation of the same amount is recognized. Such fixed assets are no longer depreciated in subsequent periods.

33. Major changes in accounting policies and accounting estimates

There were no changes in significant accounting policies and accounting estimates during the reporting period.

IV. Items

1. Main tax categories and tax rates

Tax category	Tax basis	Tax rate
VAT	The output tax is calculated based on the revenue from the sale of goods and taxable services as stipulated by tax laws. After deducting the input tax allowable for deduction in the current period, the difference is the value-added tax payable	13%, 9%, 6%, 5%, 3%
Urban maintenance and construction tax	Levied based on the actual value-added tax and consumption tax paid	7%
Surcharge for education	Levied based on the actual value-added tax and consumption tax paid	3%
Local education surcharge	Levied based on the actual value-added tax and consumption tax paid	2%
Enterprise Income tax	Levied based on the taxable income	Levied at 25% of the taxable income, except for the enterprises enjoying tax preferences as described below.
Property tax	(1) For self-owned and self-used properties: Based on the original value of the property after a deduction of 10%-30%; (2) For leased self-owned properties: Based on the rental income from the properties	1.2% (ad valorem basis), 12% (rental basis)
Urban land use tax	Levied at RMB 2-8/m^2 on the actual occupied land area for industrial use in Nanshan District, Shenzhen; levied at RMB 1/m^2 on the actual occupied land area for industrial use in Zhongshan City	
Overseas taxes	Overseas taxes are calculated in accordance with the tax laws and regulations of overseas countries and regions	

The taxpayers subject to different corporate income tax rates are as follows:

Name of taxpayer	Income tax rate
The Company	15%
Shenzhen Nanshan Power Engineering Company	15%

2. Tax subsidy

(1) Corporate income tax

1) The Company has obtained the National High-Tech Enterprise Certificate with the serial number GR202444200365, which is valid for three years. The Company is entitled to the preferential corporate income tax rate for high-tech enterprises at 15% for the period from 2024 to 2026.

2) Shenzhen Nanshan Power Engineering Company has obtained the National High-tech Enterprise certification certificate with the number GR202344200269, which is valid for 3 years. From 2023 to 2025, it is entitled to the preferential corporate income tax for high-tech enterprises, with a reduced rate of 15%.

(2) Value-added tax

Tax category	Company name	Relevant regulations and policy basis	Approving authority	Approval document number	Scope of reduction/ exemption	Validity period
VAT	Shenzhen Nanshan Power Engineering Company	Measures for the Administration of VAT Exemption on Cross-border Taxable Activities in the Replacement of Business Tax with VAT	Shenzhen Qianhai State Taxation Bureau	Announcement No. 29 [2016] of the State Taxation Administration	VAT exemption for cross-border taxable activities	-
VAT	Shenzhen Nanshan Power Engineering Company	Announcement of the Ministry of Finance and the State Taxation Administration on Policies Regarding Value-Added Tax and Consumption Tax for Export Businesses		Announcement No. 11 [2026] of the Ministry of Finance and the	VAT exemption for cross-border taxable activities	Effective from January 1, 2026

				State Taxation Administration		

V. Notes to items in consolidated financial statements

Unless otherwise specified, in the financial statement data disclosed below, "beginning of the year" refers to January 1, 2025, "end of the year" refers to December 31, 2025, "this year" refers to the period from January 1, 2025 to December 31, 2025, "last year" refers to the period from January 1, 2024 to December 31, 2024, and the monetary unit is RMB Yuan.

1. Monetary funds

Item	Balance at year-end	Amount as at the beginning of the year
Cash on hand	30,635.37	30,264.98
Bank deposits	133,266,301.05	471,032,644.67
Other monetary funds	8,293,402.62	7,916,312.01
Total	**141,590,339.04**	**478,979,221.66**
Including: The total amount of deposit abroad	6,030,197.06	6,190,580.08

Among them, the details of monetary funds that are restricted in use due to mortgage, pledge, or freezing, as well as those placed overseas with restrictions on fund repatriation, are as follows:

Item	Balance at year-end	Amount as at the beginning of the year
Guarantee deposits, etc.	8,334,730.76	7,912,100.00
Total	**8,334,730.76**	**7,912,100.00**

In addition, as of the end of 2025, there were no other funds in the balance of monetary funds that were restricted in use due to mortgage, pledge, or freezing, or that had potential recovery risks.

2. Financial assets held for trading

Item	Balance at year-end	Amount as at the beginning of the year
Financial assets measured at fair value and whose changes are included in the current profits and losses	291,000,000.00	
Including: Debt instrument investments		
Equity instrument investments		
Derivative financial instruments		
Others (Note 1)	291,000,000.00	
Financial assets measured at fair value through current profit or loss	50,000,000.00	
Including: Debt instrument investments		
Hybrid instrument investments		
Others (Note 2)	50,000,000.00	
Total	**341,000,000.00**	

Note 1: The Company's other trading financial assets are structured deposits placed with commercial banks. As of December 31, 2025, the balance of structured deposits was RMB 291,000,000.00.

Note 2: The Company's other financial assets designated as at fair value through profit or loss are investments in private equity funds. The Company has designated them as financial assets at fair value through profit or loss mainly because the contractual cash flow characteristics of such financial assets are not solely payments of principal and interest on the principal amount outstanding, and they do not meet the classification conditions for financial assets measured at amortized cost or at fair value through other comprehensive income. In accordance with the relevant provisions of the Enterprise Accounting Standards, they are designated under this category for accounting. As of December 31, 2025, the balance of these trading financial assets was RMB 50,000,000.00.

3. Account receivable

(1) Accounts receivable by aging

Category	Book balance at year-end	Book balance at the beginning of the year
Within 1 year (including 1 year)	81,840,666.05	44,124,575.22
1-2 years	8,839,661.81	21,094,465.13
2-3 years	21,358,368.01	14,485,054.31
Over 3 years	18,100,707.87	3,648,959.88
Total	**130,139,403.74**	**83,353,054.54**

(2) Accounts receivable by bad debt provision method

Category	Balance at year-end				
	Balance of Book		Bad debt provisions		Book balance
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Account receivable that withdrawal bad debt provision by single item	17,208,128.63	13.22	17,208,128.63	100.00	
provision for bad debt based on credit risk portfolio	112,931,275.11	86.78	3,099,877.82	2.74	109,831,397.29
Total	**130,139,403.74**	**100.00**	**20,308,006.45**	**15.60**	**109,831,397.29**

(Continued)

Category	Amount as at the beginning of the year				
	Balance of Book		Bad debt provisions		Book balance
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Account receivable that withdrawal bad debt provision by single item	15,128,128.63	18.15	15,128,128.63	100.00	
provision for bad debt based on credit risk portfolio	68,224,925.91	81.85	407,900.00	0.60	67,817,025.91
Total	**83,353,054.54**	**100.00**	**15,536,028.63**	**18.64**	**67,817,025.91**

(3) Bad debt provision for accounts receivable on an individual basis

Name	Amount as at the beginning of the year		Balance at year-end			
	Balance of Book	Bad debt provisions	Balance of Book	Bad debt provisions	Provision percentage (%)	Reasons for provision
China Machinery Engineering Co., Ltd.	11,600,475.07	11,600,475.07	11,600,475.07	11,600,475.07	100.00	Estimated to be irrecoverable
Powerchina Hubei Electric Power Construction Co., Ltd.			2,080,000.00	2,080,000.00	100.00	Estimated to be irrecoverable
Shenzhen Petrochemical Oil Products Bonded Trading Company	3,474,613.06	3,474,613.06	3,474,613.06	3,474,613.06	100.00	Historical legacy issues, long-standing
Other small-amount receivables	53,040.50	53,040.50	53,040.50	53,040.50	100.00	Estimated to be irrecoverable
Total	**15,128,128.63**	**15,128,128.63**	**17,208,128.63**	**17,208,128.63**	**100.00**	

(4) Bad debt provision for accounts receivable by portfolio

Name	Balance at year-end		
	Balance of Book	Bad debt provisions	Provision percentage (%)
Portfolio 2: Receivables from power generation and sales	42,375,469.95		
Portfolio 3: Receivables from integrated energy services	70,555,805.16	3,099,877.82	4.39
Total	**112,931,275.11**	**3,099,877.82**	**2.74**

(5) Provision, Reversal and Recovery of Bad Debt Provisions on Accounts Receivable for the Current Year

Category	Amount as at the beginning of the year	Change amount for the year			Balance at year-end
		Accrual	Recovery or reversal	Transfer or write off	
Accounts receivable for which expected credit losses are provided for on an individual basis	15,128,128.63	2,080,000.00			17,208,128.63
Accounts receivable for which expected credit losses are provided for based on credit risk portfolios	407,900.00	2,691,977.82			3,099,877.82
Total	**15,536,028.63**	**4,771,977.82**			**20,308,006.45**

There was no recovery or reversal of bad debt provision of a significant amount during the year.

(6) No accounts receivable were actually written off during the year

(7) Top five accounts receivable and contract assets in terms of the ending balances by debtors

Unit name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Ratio to the total ending balance of accounts receivable and contract assets	Ending balance of bad debt provision for accounts receivable and contract assets
Shenzhen Power Supply Bureau Co., Ltd.	42,432,621.76		42,432,621.76	27.99	
China Machinery Engineering Co., Ltd.	41,732,799.49		41,732,799.49	27.53	14,016,370.97
Guangdong Power Grid Co., Ltd.	21,093,415.61		21,093,415.61	13.92	
SPIC (Zhongshan) Smart Energy Co., Ltd.		13,463,211.01	13,463,211.01	8.88	
Shenzhen Energy Corporation	6,535,090.73		6,535,090.73	4.31	
Total	**111,793,927.59**	**13,463,211.01**	**125,257,138.60**	**82.63**	**14,016,370.97**

4. Contract assets

(1) Contract assets

Item	Balance at year-end			Amount as at the beginning of the year		
	Balance of Book	Bad debt provisions	Book balance	Balance of Book	Bad debt provisions	Book balance
Progress payments	20,224,907.48		20,224,907.48			
Quality retention money	1,216,764.24		1,216,764.24	95,580.68		95,580.68

Item	Balance at year-end			Amount as at the beginning of the year		
	Balance of Book	Bad debt provisions	Book balance	Balance of Book	Bad debt provisions	Book balance
for projects						
Total	**21,441,671.72**		**21,441,671.72**	**95,580.68**		**95,580.68**

(2) Significant changes in book value during the year and reasons

Item	Changes	Reason for changes
Zhongshan Guzhen 150MW/300MWh independent energy storage power station project (Phase I)	13,463,211.01	The main reason is the addition of a new subsidiary through a business combination not under common control during the period. Its contract assets were included in the scope of the consolidated financial statements, leading to a corresponding increase in contract assets. Additionally, as the acquired subsidiary's business operations proceeded normally, projects completed but not yet accepted also increased accordingly.
Specialized Subcontract for Photovoltaic Power Generation Project under the General Construction Contract Package II of the Shenzhen University of Technology Construction Project	3,643,590.92	
Subcontract for Construction and Installation Works under the General Construction Contract of Section 2 of the Zhengdou Photovoltaic Demonstration and Experimental Base Project in Garzê Prefecture	1,533,536.53	
Total	**18,640,338.46**	

(3) Contract assets by bad debt provision method

Category	Balance at year-end				
	Balance of Book		Bad debt provisions		Book balance
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Account receivable that withdrawal bad					

Category	Balance at year-end				
	Balance of Book		Bad debt provisions		Book balance
	Amount	Percentage (%)	Amount	Provision percentage (%)	
debt provision by single item					
provision for bad debt based on credit risk portfolio	21,441,671.72	100.00			21,441,671.72
Total	**21,441,671.72**	**100.00**			**21,441,671.72**

(Continued)

Category	Amount as at the beginning of the year				
	Balance of Book		Bad debt provisions		Book balance
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Account receivable that withdrawal bad debt provision by single item					
provision for bad debt based on credit risk portfolio	95,580.68	100.00			95,580.68
Total	**95,580.68**	**100.00**			**95,580.68**

1) No bad debt provision was made for contract assets on an individual basis during the year

2) Bad debt provision for contract assets by portfolio

Name	Balance at year-end		
	Balance of Book	Bad debt provisions	Provision percentage (%)
Within 1 year	21,441,671.72		
Total	**21,441,671.72**		

(Continued)

Name	Amount as at the beginning of the year		
	Balance of Book	Bad debt provisions	Provision percentage (%)
Within 1 year	95,580.68		
Total	**95,580.68**		

(4) No bad debt provision was made for contract assets during the year

(5) No material amount of bad debt provisions was recovered or reversed during the current year

(6) No contract assets were actually written off during the year

5. Other receivables

Item	Balance at year-end	Amount as at the beginning of the year
Interest receivable		
Dividend receivable		
Other receivables	361,729,062.93	131,831,575.62
Including: Receivables for land reservation and acquisition compensation (Note)	354,967,762.00	112,298,115.00
Total	**361,729,062.93**	**131,831,575.62**

Note: The receivable from land reserve compensation represents the land reserve compensation confirmed by Shenzhen Nanshan Power Zhongshan Company, a subsidiary of the Company. The change during the period is mainly due to the completion of handover of part B of the land parcel by Shenzhen Nanshan Power Zhongshan Company, with the corresponding receivable from land reserve compensation recognized accordingly. Details are as follows:

On December 12, 2023, Shenzhen Nanshan Power Zhongshan Company signed the "State-owned Land Use Rights Recovery Agreement" and the "Relocation Compensation Agreement" with the Management Committee of Cuiheng New Area, agreeing that the Management Committee of Cuiheng New Area would acquire three parcels of state-owned land use rights of Shenzhen Nanshan Power Zhongshan Company located in Hengmen Industrial Zone, Nanlang Street, Cuiheng New Area, Zhongshan City, for a total compensation of RMB 584,453,529.00. The Management Committee of Cuiheng New Area entrusted Zhongshan Xiwan Construction Investment Co., Ltd. to pay and advance the project compensation funds on its behalf.

On November 4, 2024, to secure the construction land for the 300MW/600MWh Independent Energy Storage Power Station (Phase I) project in Cuiheng New Area, Zhongshan City, and to ensure the smooth progress of the land reservation and acquisition of Shenzhen Nanshan Power Zhongshan Company, Shenzhen Nanshan Power Zhongshan Company signed a "Supplemental Agreement" with the Management Committee of Cuiheng New Area. This agreement divided the original 434.86 mu parcel into two parts: Parcel A and Parcel B. Parcel A is approximately 190.87 mu with a compensation price of RMB 224,711,593.00, and Parcel B is approximately 244 mu with a compensation price of RMB 359,741,936.00.

On November 29, 2024, Shenzhen Nanshan Power Zhongshan Company signed the "Land Handover Confirmation Letter" for Parcel A with the Management Committee of Cuiheng New Area, completing the handover confirmation. Concurrently, as stipulated in the agreement, Shenzhen Nanshan Power Zhongshan Company submitted a land recovery application for the entire 434.86 mu parcel to the Zhongshan Municipal Natural Resources Bureau and obtained the "Administrative Decision Letter" on December 5, 2024, completing the land cancellation registration for the project. In accordance with the Accounting Standards for Business Enterprises and the CSRC's "Regulatory Application Guidance - Accounting No. 3", Parcel A has met the conditions for derecognition. As of the end of 2024, the cumulative compensation received for Parcel A was RMB 112,413,478.00, with an outstanding amount of RMB 112,298,115.00. The handover of Parcel B was not completed during the period, and the received compensation advance of RMB 107,922,581.00 was recorded as other current liabilities in accordance with accounting standards and not recognized as receivables.

On December 31, 2025, Shenzhen Nanshan Power Zhongshan Company signed the "Land Handover Confirmation Letter" for Parcel B with the Management Committee of Cuiheng New Area, completing the handover confirmation for Parcel B. In accordance with the Accounting Standards for Business Enterprises and the CSRC's "Regulatory Application Guidance - Accounting No. 3", Parcel B has met the conditions for derecognition. Accordingly, the compensation advance originally recorded as other current liabilities was transferred to receivables for land reservation and acquisition compensation, and the remaining receivables were recognized.

As of December 31, 2025, the cumulative compensation received for Parcel A was RMB 112,413,478.00, with an outstanding amount of RMB 112,298,115.00. The cumulative compensation received for Parcel B was RMB 107,922,581.00. Regarding the outstanding amount for Parcel B, based on the negotiation and arrangement between the parties on relevant matters, Shenzhen Nanshan Power Zhongshan Company agreed to deduct the corresponding amount of RMB 9,149,708.00 from the final compensation payment for the land reservation and acquisition. Based on this, the outstanding amount for Parcel B is calculated to be RMB 242,669,647.00. According to the "Relocation Compensation Agreement - Supplemental Agreement", the remaining compensation for both Parcel A and Parcel B shall be paid no later than December 31, 2026. If payment is not made on time, the parties may amicably negotiate an extension of one year to December 31, 2027.

5.1 Other receivables

(1) Other receivables by nature

Payment nature	Book balance at year-end	Book balance at the beginning of the year
External unit transactions	375,874,499.74	146,283,298.87
Legacy payments	11,724,938.94	11,705,041.79
Security deposits and deposits	4,930,362.46	4,674,076.67
Others	609,817.83	559,817.18
Total	**393,139,618.97**	**163,222,234.51**

(2) Other receivables by aging

Category	Book balance at year-end	Book balance at the beginning of the year
Within 1 year (including 1 year)	245,361,010.04	116,706,098.92
1-2 years	116,034,962.50	322,956.77
2-3 years	315,182.00	
Over 3 years	31,428,464.43	46,193,178.82
Total	**393,139,618.97**	**163,222,234.51**

(3) Other receivables by bad debt provision method

Category	Balance at year-end				
	Balance of Book		Bad debt provisions		Book balance
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Account receivable that withdrawal bad debt provision by single item	31,410,556.04	7.99	31,410,556.04	100.00	
provision for bad debt based on credit	361,729,062.93	92.01			361,729,062.93

Category	Balance at year-end				
	Balance of Book		Bad debt provisions		Book balance
	Amount	Percentage (%)	Amount	Provision percentage (%)	
risk portfolio					
Total	**393,139,618.97**	**100.00**	**31,410,556.04**	**7.99**	**361,729,062.93**

(Continued)

Category	Amount as at the beginning of the year				
	Balance of Book		Bad debt provisions		Book balance
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Account receivable that withdrawal bad debt provision by single item	31,390,658.89	19.23	31,390,658.89	100.00	
provision for bad debt based on credit risk portfolio	131,831,575.62	80.77			131,831,575.62
Total	**163,222,234.51**	**100.00**	**31,390,658.89**	**19.23**	**131,831,575.62**

1) Other receivables with bad debt provision made on an individual basis

Name	Amount as at the beginning of the year		Balance at year-end			
	Balance of Book	Bad debt provisions	Balance of Book	Bad debt provisions	Provision percentage (%)	Reasons for provision
Huiyang Kangtai Industrial Co., ltd	14,311,626.70	14,311,626.70	14,311,626.70	14,311,626.70	100.00	A historical legacy issue, long-standing, and expected to be unrecoverable.
Receivables for employee benefit fund dividends and taxes	9,969,037.63	9,969,037.63	9,988,934.78	9,988,934.78	100.00	
Shandong Jinan Power Generation Equipment Factory Co., Ltd.	3,560,000.00	3,560,000.00	3,560,000.00	3,560,000.00	100.00	
Receivables for employee dormitory purchases	1,736,004.16	1,736,004.16	1,736,004.16	1,736,004.16	100.00	
Receivables for Zhongshan cogeneration project	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	100.00	
Others	813,990.40	813,990.40	813,990.40	813,990.40	100.00	
Total	**31,390,658.89**	**31,390,658.89**	**31,410,556.04**	**31,410,556.04**	**100.00**	—

2) Other receivables with bad debt provision made by portfolio

Name	Balance at year-end		
	Balance of Book	Bad debt provisions	Provision percentage (%)
Portfolio V: Portfolio of security deposits, deposits, and	3,856,534.69		

Name	Balance at year-end		
	Balance of Book	Bad debt provisions	Provision percentage (%)
petty cash			
Portfolio VII: Other various receivables and temporary payments	357,872,528.24		
Total	**361,729,062.93**		

3) Bad debt provision for other receivables made under the general model for expected credit losses

Bad debt provisions	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as of January 1, 2025			31,390,658.89	**31,390,658.89**
Balance as of January 1, 2025 in the current year				
——Transfer to stage II				
——Transfer to stage III				
-- Reversal to the II stage				
-- Reversal to the I stage				
Provision in Current Year			19,897.15	**19,897.15**
Reversal in Current Year				
Conversion in Current Year				

Bad debt provisions	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Write off in Current Year				
Other changes				
Balance as of December 31, 2025			31,410,556.04	**31,410,556.04**

(4) Bad debt provision for other receivables accrued, recovered, or reversed during the year

Category	Amount as at the beginning of the year	Change amount for the year				Balance at year-end
		Accrual	Recovery or reversal	Transfer or write off	Others	
Account receivable that withdrawal bad debt provision by single item	31,390,658.89	19,897.15				31,410,556.04
provision for bad debt based on credit risk portfolio						
Total	**31,390,658.89**	**19,897.15**				**31,410,556.04**

(5) No other receivables were actually written off during the year

(6) Top five other receivables in terms of the ending balances by debtor

Unit name	Payment nature	Balance at year-end	Category	Proportion in the total year-end balance of other receivables (%)	Bad debt provisions Balance at year-end
Zhongshan Xiwan Construction Investment Co., Ltd.	Receivables for land reservation and acquisition	354,967,762.00	Within 1 year, 1 to 2 years	90.29	
Huiyang Kangtai Industrial Co., ltd	External unit transactions	14,311,626.70	Over 5 years	3.64	14,311,626.70
Receivables for employee benefit fund dividends and taxes	Receivables from employees	9,988,934.78	Over 5 years	2.54	9,988,934.78
Shandong Jinan Power Generation Equipment Factory Co., Ltd.	External unit transactions	3,560,000.00	Over 5 years	0.91	3,560,000.00
Zhongshan Xiwan Property Management Co., Ltd.	Deposit	1,863,742.00	1-2 years	0.47	
Total	—	**384,692,065.48**	—	**97.85**	**27,860,561.48**

6. Advances to suppliers

(1) Aging of prepayments

Item	Balance at year-end	Amount as at the beginning of the year

	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	10,983,662.40	99.37	18,960,631.08	99.47
1-2 years	14,932.96	0.14	90,037.73	0.47
2-3 years	48,500.00	0.44		
Over 3 years	5,887.44	0.05	11,683.23	0.06
Total	**11,052,982.80**	**100.00**	**19,062,352.04**	**100.00**

(2) Top five prepayments in terms of year-end balances by prepayment object

Unit name	Balance at year-end	Proportion in the total year-end balance of prepayments (%)
Shenzhen Gas Corporation Ltd.	9,766,870.62	88.36
Guangdong Power Grid Co., Ltd.	450,000.00	4.07
Guangzhou Nanyang Cable Group Co., Ltd.	231,736.00	2.10
OCT Property (Group) Co., Ltd. Commercial Property Management Branch	98,500.00	0.89
China Life Insurance Company Limited Shenzhen Branch	87,531.00	0.79
Total	**10,634,637.62**	**96.21**

7. Inventories

(1) Category of Inventory

Item	Balance at year-end		
	Balance of Book	Provision for inventory depreciation or provision for impairment of contract performance costs	Book balance
Spare parts, etc.	112,064,370.81	75,758,884.19	36,305,486.62
Auxiliary materials and low-value	302,731.04		302,731.04

Item	Balance at year-end		
	Balance of Book	Provision for inventory depreciation or provision for impairment of contract performance costs	Book balance
consumables, etc.			
Contract performance cost	1,317,495.23		1,317,495.23
Others	47,196.59		47,196.59
Total	**113,731,793.67**	**75,758,884.19**	**37,972,909.48**

(Continued)

Item	Amount as at the beginning of the year		
	Balance of Book	Provision for inventory depreciation or provision for impairment of contract performance costs	Book balance
Spare parts, etc.	133,818,765.80	55,519,200.72	78,299,565.08
Auxiliary materials and low-value consumables, etc.	417,181.86	79,264.71	337,917.15
Contract performance cost	1,549,695.97		1,549,695.97
Others	47,196.59		47,196.59
Total	**135,832,840.22**	**55,598,465.43**	**80,234,374.79**

(2) Provision for inventory depreciation and provision for impairment of contract performance costs

Item	Amount as at the beginning of the year	Increase in the year		Closing balance		Balance at year-end
		Accrual	Others	Write-off	Others	
Spare parts, etc.	55,519,200.72	26,366,298.90		6,126,615.43		75,758,884.19
Auxiliary materials and low-value consumables, etc.	79,264.71			79,264.71		
Total	**55,598,465.43**	**26,366,298.90**		**6,205,880.14**		**75,758,884.19**

8. Other current assets

Item	Balance at year-end	Amount as at the beginning of the year
Transferable certificates of deposit and accrued interest	238,230,831.36	232,165,987.85
Deductible VAT input tax	23,972,945.62	8,614,307.70
Advance payment of income tax	4,050,115.85	6,583,089.98
Employee benefits and relocation expenses paid for production suspension due to land reservation and acquisition, etc. (Note)		37,899,306.75
Others	8,494.29	265,846.94
Total	**266,262,387.12**	**285,528,539.22**

Note: The decrease in the ending balance of other current assets was mainly due to the completion of the land reservation, acquisition, and transfer confirmation for Parcel B by Shenzhen Nanshan Power Zhongshan Company during the period. The related employee benefits and relocation expenses were transferred to gains on asset disposal, resulting in a decrease in other current assets. For details on the land reservation and acquisition, please refer to Note V. 5 Other Receivables in these financial statements.

9. Investment in other equity instruments

(1) Investment in other equity instruments

Item	Amount as at the beginning of the year	Increase /decrease in reporting period					Balance at year-end
		Add investment	Decreased investment	Gains accrued to other comprehensive income	Loss accrued to other comprehensive income	Others	
Zhong Sheng Technology (Jiangsu) Group Co., Ltd. (Note 1)	162,782,620.92			8,086,845.66			170,869,466.58
Shenzhen Yuanzhi Ruixin New Generation Information Technology Private Equity Investment Fund Partnership (Limited Partnership) (Note 2)	81,400,433.65		7,346,000.00	18,599,566.35		-92,654,000.00	
Jiangxi Nuclear Power Co., Ltd. (Note 1)	60,615,000.00			2,694,590.62			63,309,590.62
Shenzhen New Energy Storage Industry Equity Fund Partnership (Limited Partnership) (Note 2)	50,000,000.00					-50,000,000.00	
Shenzhen Petrochemical Oil Products Bonded Trading Company							

Item	Amount as at the beginning of the year	Increase /decrease in reporting period					Balance at year-end
		Add investment	Decreased investment	Gains accrued to other comprehensive income	Loss accrued to other comprehensive income	Others	
Total	**354,798,054.57**		**7,346,000.00**	**29,381,002.63**		**-142,654,000.00**	**234,179,057.20**

(2) Details of non-trading equity instrument investments

Item	Dividend income recognized during the year	Gains accumulated into other comprehensive income at the end of the year	Losses accumulated into other comprehensive income at the end of the year	Amount transferred from the other comprehensive income to retained earnings	Reasons designated as being measured at fair value through other comprehensive income	Reasons for the transfer of other comprehensive income into retained earnings
Zhong Sheng Technology (Jiangsu) Group Co., Ltd.	5,600,000.00	30,869,466.58			Planned to be held for a long time	
Jiangxi Nuclear Power Co., Ltd.		2,694,590.62			Planned to be held for a long time	
Shenzhen Petrochemical Oil Products Bonded			2,500,000.00		Planned to be held for a long time	

Trading Company						
Total	**5,600,000.00**	**33,564,057.20**	**2,500,000.00**		**—**	

Note 1: The change in other comprehensive income recognized during the period is mainly attributable to the continuous growth in the operating performance of the investees. As the investees are non-public companies with no quoted prices in active markets, and the Group holds relatively low equity interests without significant influence, it is not practicable to adopt the income approach or market approach for the valuation of such shareholdings. Accordingly, Level 1 and Level 2 inputs are not available. The Group determines the fair value of such equity investments based on the investees' net assets at the end of the period and recognizes the relevant changes in fair value accordingly.

Note 2: During the reporting period, other changes in other equity instrument investments were mainly due to the decrease resulting from the reclassification of the accounting category for this investment. The reasons for the reclassification are as follows:

(1) In accordance with the Q&A on the Implementation of the Financial Instruments Standards issued by the Ministry of Finance in April 2021, and pursuant to Articles 16, 17, 18 and 20 of the Financial Instruments Presentation Standard with reference to the relevant Application Guidance, for puttable instruments (such as redeemable fund units of certain open-end funds) and financial instruments for which the issuer has an obligation only to deliver its net assets proportionately to another party upon liquidation (such as units of closed-end funds with limited lives, wealth management product units, trust schemes and other structured entities with fixed lives), if they meet the requirements of Articles 16, 17 and 18 of the Financial Instruments Presentation Standard, the issuer shall present them as equity instruments in its separate financial statements. In the minority interests section of the consolidated financial statements of the enterprise group, the corresponding interests shall be classified as financial liabilities. The aforementioned financial instruments do not meet the definition of equity instruments from the issuer's perspective, nor do they constitute equity instrument investments from the investor's perspective. Investors may not designate such instruments as financial assets measured at fair value with changes recognized in other comprehensive income.

(2) Both the Yuanzhi Ruixin Information Technology Fund and the New Energy Storage Industry Investment Fund, in which the Company and its subsidiaries have invested, are finite-life entities and cannot avoid the obligation to deliver cash or other financial assets to investors upon maturity. Therefore, they do not meet the definition of equity instruments and cannot be designated as financial assets at fair value through other comprehensive income.

(3) Based on the criteria for determining significant influence under Accounting Standard for Business Enterprises No. 2 - Long-term Equity Investments and Applicable Regulatory Guidelines - Accounting Category No. 1, from the investor’s perspective, the investments governed by the Standard for Long-term Equity Investments are equity investments. Since the Standard does not define the term "equity investment", enterprises shall apply the principle of substance over form and analyze and judge relevant facts and circumstances. If the risks and rewards substantially borne by the investor are significantly different from those of ordinary shareholders, the investment shall be accounted for as a financial instrument in its entirety. If the risks and rewards substantially borne by the investor are the same as those of ordinary shareholders and the investor has significant influence over the investee, it shall be classified as a long-term equity investment.

According to the partnership agreement of the Yuanzhi Ruixin Information Technology Fund, the limited partnership shall establish an investment decision-making committee responsible for reviewing and deciding on the partnership's investment, management, and exit matters, as well as value-added investments of idle funds other than passive investments. The committee is composed of five members, and New Power Company has the right to recommend one of them. Based on this right, New Power Company is able to exert significant influence over the financial and operating decisions of the Yuanzhi Ruixin Information Technology Fund. Therefore, this investment has been reclassified to be accounted for as a long-term equity investment. In summary, the reclassification of the investment in the Yuanzhi Ruixin Information Technology Fund from other equity instrument investments to long-term equity investments is an adjustment within long-term asset items, which complies with the Accounting Standards for Business Enterprises in all material respects, and there is no use of reclassification to manipulate net profit and other comprehensive income.

(4) According to the partnership agreement of the New Energy Storage Industry Investment Fund, the limited partnership shall establish an investment decision-making committee responsible for reviewing and deciding on the partnership's investment, management, and exit matters, as well as value-added investments of idle funds other than passive investments. The committee is composed of five members. Due to its low investment ratio, the Company has no corresponding nominee and does not have significant influence over the New Energy Storage Industry Investment Fund. Therefore, it has been reclassified as a financial asset at fair value through profit or loss. This adjustment is an adjustment within long-term asset items, which complies with the Accounting Standards for Business Enterprises in all material respects, and there is no use of reclassification to manipulate net profit and other comprehensive income.

10. Long-term equity investments

(1) Long-term equity investments

Name	Opening balance (book value)	Opening balance of impairment provision	Increase /decrease in reporting period								Closing balance (book value)	Closing balance of impairment provision
			Add investment	Decrease investment	Equity method affirmative profit and loss on investments	Adjustment of other comprehensive income	Other equity changes	Cash dividends or profits declared to be paid	Withdrawal of impairment provision	Others		
Affiliated Company												
Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.	90,587,521.44				7,919,718.35			809,700.00			97,697,539.79	
Shenzhen Yuanzhi Ruixin New Generation Information Technology Private Equity					4,525,976.04					92,654,000.00	97,179,976.04	

Investment Fund Partnership (Limited Partnership) (Note 1)												
Shenzhen Yuanzhi Zhongkai Energy Storage Technology Innovation Private Equity Fund Partnership (Limited Partnership) (Note 2)			1,950,000.00								1,950,000.00	
Total	**90,587,521.44**		**1,950,000.00**		**12,445,694.39**			**809,700.00**		**92,654,000.00**	**196,827,515.83**	

Note 1: For details of the relevant changes, please refer to the explanations in Note 1 of Note V.9 Other Equity Instrument Investments in these financial statements.

Note 2: During the reporting period, the Company's subsidiary, Shenzhen Nanshan Power Environmental Protection Company, made a new investment in Shenzhen Yuanzhi Zhongkai Energy Storage Science and Technology Private Equity Fund Partnership (Limited Partnership). According to the investment agreement, the partnership shall establish an investment decision-making committee composed of 5 members, all of whom are appointed by the executive partner, with 1 member recommended by Shenzhen Nanshan Power Environmental Protection Company. Shenzhen Nanshan Power Environmental Protection Company has voting rights on major matters such as project investment and post-investment management, and is able to exert significant influence over the partnership. Therefore, this investment is presented as a long-term equity investment and accounted for using the equity method.

11. Investment properties

(1) Investment properties measured at the cost mode

Item	**House, Building**	**Total**
I. Original price		
1. Beginning balance	9,708,014.96	9,708,014.96
2. Increase in the current period		
3. Decrease in the reporting period		
4. Year-end Balance	9,708,014.96	9,708,014.96
II. Accumulated amortization		
1. Beginning balance	8,210,005.12	8,210,005.12
2. Increase in the current period	166,556.76	166,556.76
(1) Provision or amortization	166,556.76	166,556.76
3. Decrease in the reporting period		
4. Year-end Balance	8,376,561.88	8,376,561.88
III. Impairment provision		
1. Beginning balance		
2. Increase in the current period		
3. Decrease in the reporting period		
4. Year-end Balance		
IV. Book value		
1. Carrying value at year-end	1,331,453.08	1,331,453.08
2. Carrying amount at the beginning of the year	1,498,009.84	1,498,009.84

12. Fixed assets

Item	**Balance at year-end**	**Amount as at the beginning of the year**
Fixed assets (Note 1)	544,902,436.89	377,498,094.30
Disposal of fixed assets (Note 2)		73,705,696.67
Total	**544,902,436.89**	**451,203,790.97**

Note 1: The increase in the year-end balance of fixed assets was mainly due to the completion of the transfer to fixed assets and the commissioning of the 300MW/600MWh independent energy storage power station (Phase I project) in Cuiheng New District, Zhongshan City, by the company's subsidiary, Shenzhen Nanshan Power Xiwan Company, during the reporting period. This resulted

in an increase of RMB 194 million in the original value of fixed assets on the consolidated financial statements.

Note 2: The decrease in the year-end balance of disposal of fixed assets was mainly due to the completion of the public listing and transfer of generator units and related assets by the company's subsidiary, Shenzhen Nanshan Power Zhongshan Company, in March 2025. During the reporting period, the company received the full transfer price, installment interest, and value-added tax from Fujian Hengjing Investment Co., Ltd., totaling RMB 72,253,308.58.

12.1 Fixed assets

(1) Fixed assets

Item	Buildings, structures, and renovations	Machinery equipment	Means of transportation	Electronic equipment and other equipment	Total
I. Original price					
1. Beginning balance	294,719,041.34	1,670,156,222.33	5,208,602.47	40,933,308.11	2,011,017,174.25
2. Increase in the current period	22,470,929.18	173,861,697.90	205,993.61	623,494.57	197,162,115.26
(1) Purchase			154,790.78	545,303.45	700,094.23
(2) Transfer from construction in progress	22,470,929.18	173,861,697.90			196,332,627.08
(3) Increase in business combination			51,202.83	78,191.12	129,393.95
3. Decrease in the reporting period		935,422.58	138,687.33	1,035,090.07	2,109,199.98
(1) Disposal or scrapping			138,687.33	1,029,610.07	1,168,297.40
(2) Others		935,422.58		5,480.00	940,902.58
4. Year-end Balance	317,189,970.52	1,843,082,497.65	5,275,908.75	40,521,712.61	2,206,070,089.53
II. Accumulated depreciation					
1. Beginning balance	207,817,321.47	1,267,888,430.12	4,707,082.87	34,155,145.08	1,514,567,979.54

2. Increase in the current period	5,282,978.66	21,198,412.39	615,755.40	1,533,200.45	28,630,346.90
(1) Provision	5,282,978.66	21,198,412.39	596,498.99	1,520,966.57	28,598,856.61
(2) Increase in business combination			19,256.41	12,233.88	31,490.29
3. Decrease in the reporting period			131,752.96	815,467.62	947,220.58
(1) Disposal or scrapping			131,752.96	810,535.62	942,288.58
(2) Others				4,932.00	4,932.00
4. Year-end Balance	213,100,300.13	1,289,086,842.51	5,191,085.31	34,872,877.91	1,542,251,105.86
III. Impairment provision					
1. Beginning balance	17,852,047.84	100,972,179.24	53,176.48	73,696.85	118,951,100.41
2. Increase in the current period					
(1) Provision					
3. Decrease in the reporting period				34,553.63	34,553.63
(1) Disposal or scrapping				34,553.63	34,553.63
4. Year-end Balance	17,852,047.84	100,972,179.24	53,176.48	39,143.22	118,916,546.78
IV. Book value					

1. Carrying value at year-end	86,237,622.55	453,023,475.90	31,646.96	5,609,691.48	544,902,436.89
2. Carrying amount at the beginning of the year	69,049,672.03	301,295,612.97	448,343.12	6,704,466.18	377,498,094.30

(2) Fixed assets without certificate of title completed

Item	Book balance	Reason
Power Plant Comprehensive Office Building	8,822,150.26	Problems left over from history
Turbine building	1,895,345.65	
New Power Supply Building (Four-Control Building)	1,212,933.80	
Cooling tower	673,259.25	
Chemical water treatment workshop	232,960.00	
Circulating water pump house	196,984.54	
Oil depot complex building	443,246.19	
Building 405, Yannan Road	540,675.24	
Oil Dispensing Platform	259,700.00	
Main entrance reception	47,264.13	

12.2 Liquidation of fixed assets

Item	Balance at year-end	Amount as at the beginning of the year
Machinery equipment		72,098,979.01
Means of transportation		50,000.00
Electronic equipment and other equipment		189,564.16
Others		1,367,153.50
Total		**73,705,696.67**

Note: For details, please refer to the notes in Note V. 12 Fixed assets and disposal of fixed assets in these financial statements.

13. Construction in progress

Item	Balance at year-end	Amount as at the beginning of the year
Construction in progress	3,113,338.75	6,983,713.85
Total	**3,113,338.75**	**6,983,713.85**

13.1 Construction in progress

(1) Construction in progress

Item	Balance at year-end			Amount as at the beginning of the year		
	Balance of Book	Withdrawn impairment provision	Book balance	Balance of Book	Withdrawn impairment provision	Book balance
Nanshan Power Plant oil-to-gas conversion project	9,441,286.39	9,441,286.39		9,441,286.39	9,441,286.39	
Nanshan Power Plant technical transformation project	2,675,000.00	1,605,000.00	1,070,000.00	4,238,664.96	1,605,000.00	2,633,664.96
Zhongshanwan PV, Energy Storage and Charging Service Project	1,576,059.24		1,576,059.24			
Zhongshan Independent Energy Storage Power Station (Phase II & III)	467,279.51		467,279.51			

Item	Balance at year-end			Amount as at the beginning of the year		
	Balance of Book	Withdrawn impairment provision	Book balance	Balance of Book	Withdrawn impairment provision	Book balance
Zhongshan independent energy storage power station (Phase I)				4,259,294.18		4,259,294.18
Others				90,754.71		90,754.71
Total	**14,159,625.14**	**11,046,286.39**	**3,113,338.75**	**18,030,000.24**	**11,046,286.39**	**6,983,713.85**

(2) Changes of significant construction in progress during the year

Project name	Amount as at the beginning of the year	Increase in the year	Closing balance		Balance at year-end
			Transferred to fixed assets	Other decreases	
Zhongshan independent energy storage power station (Phase I)	4,259,294.18	189,886,241.56	194,145,535.74		
Total	**4,259,294.18**	**189,886,241.56**	**194,145,535.74**		

(Continued)

Project name	Budgeted Amount (in ten thousand RMB)	Ratio of accumulated project investment in budget (%)	Project Progress (%)	Accumulated capitalization amount of interest (in ten thousand RMB)	Including: Amount of capitalized interest for the current year (in ten thousand RMB)	Interest capitalization rate for the current year (%)	Capital source
Zhongshan independent energy storage power station (Phase I)	30,715.24	78.92	100.00	25.74	25.74	2.90	Loans from financial institutions and own funds
Total	**30,715.24**	**-**	**-**	**25.74**	**25.74**	**2.90**	**-**

Note: The Zhongshan independent energy storage Phase I project of the Company's subsidiary, Shenzhen Nanshan Power Xiwan Company, reached its intended usable state in May 2025. In the current period, RMB 194 million was transferred from construction in progress to fixed assets at the consolidated financial statement level.

14. Right-of-use assets

(1) Right-of-use assets

Item	Houses and Building	Land use rights and others	Total
I. Original price			
1. Beginning balance	8,696,499.48		8,696,499.48
2. Increase in the current period	346,808.83	28,096,305.81	28,443,114.64
3. Decrease in the reporting period			
(1) Disposal			
4. Year-end Balance	9,043,308.31	28,096,305.81	37,139,614.12
II. Accumulated depreciation			
1. Beginning balance	2,536,479.05		2,536,479.05
2. Increase in the current period	4,412,982.60	1,404,815.28	5,817,797.88
(1) Provision	4,412,982.60	1,404,815.28	5,817,797.88
3. Decrease in the reporting period			
(1) Disposal			
4. Year-end Balance	6,949,461.65	1,404,815.28	8,354,276.93
III. Impairment provision			
1. Beginning balance			
2. Increase in the current period			
3. Decrease in the reporting period			
4. Year-end Balance			
IV. Book value			
1. Carrying value at year-end	2,093,846.66	26,691,490.53	28,785,337.19
2. Carrying amount at the beginning of the year	6,160,020.43		6,160,020.43

Note: (1) The increase in right-of-use assets during the current period was mainly due to the construction of the Zhongshan independent energy storage project by Shenzhen Nanshan Power Xiwan Company. Right-of-use assets were recognized for the newly leased project land and the buildings on it during the current period.

(2) The opening balance of right-of-use assets relates to the Company's operating lease of the 16th-17th floors of Hantang Building for office use.

15. Intangible assets

(1) Details of intangible assets

Item	Land use right	Patent	Software	Others	Total
I. Original price					
1. Beginning balance	30,800,611.14	138,625.07	5,187,330.02		36,126,566.23
2. Increase in the current period			1,174,849.41	39,341.17	1,214,190.58
(1) Purchase			1,165,452.44		1,165,452.44
(2) Increase in business combination			9,396.97	39,341.17	48,738.14
3. Decrease in the reporting period					
4. Year-end Balance	30,800,611.14	138,625.07	6,362,179.43	39,341.17	37,340,756.81
II. Accumulated amortization					
1. Beginning balance	30,755,027.16	66,512.54	3,955,294.72		34,776,834.42
2. Increase in the current period	6,591.12	16,766.22	459,453.52	39,341.17	522,152.03
(1) Withdrawal	6,591.12	16,766.22	451,535.55	39,341.17	514,234.06
(2) Increase in			7,917.97		7,917.97

Item	Land use right	Patent	Software	Others	Total
business combination					
3. Decrease in the reporting period					
4. Year-end Balance	30,761,618.28	83,278.76	4,414,748.24	39,341.17	35,298,986.45
III. Impairment provision					
1. Beginning balance					
2. Increase in the current period					
3. Decrease in the reporting period					
4. Year-end Balance					
IV. Book value					
1. Carrying value at year-end	38,992.86	55,346.31	1,947,431.19		2,041,770.36
2. Carrying amount at the beginning of the year	45,583.98	72,112.53	1,232,035.30		1,349,731.81

16. Long-term deferred expenses

Item	Amount as at the beginning of the year	Increase in the year	Amortization for the current year	Other decreases for the current year	Balance at year-end
Major	5,510,756.56	2,549,470.90	1,562,633.73		6,497,593.73

Item	Amount as at the beginning of the year	Increase in the year	Amortization for the current year	Other decreases for the current year	Balance at year-end
repair expenditure					
Renovation costs	292,105.21		222,539.89		69,565.32
Total	**5,802,861.77**	**2,549,470.90**	**1,785,173.62**		**6,567,159.05**

17. Deferred income tax assets and deferred income tax liabilities

(1) Deferred tax assets without offset

Item	Balance at year-end		Amount as at the beginning of the year	
	Deductible temporary difference	Deferred tax Assets	Deductible temporary difference	Deferred tax Assets
Changes in fair value of investment in other equity instruments	2,500,000.00	625,000.00	2,500,000.00	625,000.00
Bad debt provisions	42,481.92	10,620.48		
Estimated liabilities	345,106.00	86,276.50		
Lease liabilities	25,839,468.05	6,459,867.02		
Deductible loss	101,792,854.16	25,448,213.52		
Total	**130,519,910.13**	**32,629,977.52**	**2,500,000.00**	**625,000.00**

(2) Un-offset deferred income tax liabilities

Item	Balance at year-end		Amount as at the beginning of the year	
	Deductible temporary difference	**Deferred tax Liabilities**	**Deductible temporary difference**	**Deferred tax Liabilities**
Carrying amount of right-of-use assets	27,085,703.87	6,771,425.96		
One-time deduction for fixed assets	125,758,907.33	31,439,726.83		
Total	**152,844,611.20**	**38,211,152.79**		

(3) Deferred tax assets or liabilities presented at net amount after offset

Item	Balance at year-end		Amount as at the beginning of the year	
	Offset amount of deferred tax assets and liabilities	**Balance of deferred tax assets or liabilities after offset**	**Offset amount of deferred tax assets and liabilities**	**Balance of deferred tax assets or liabilities after offset**
Deferred income tax assets	28,365,118.64	4,264,858.88		625,000.00
Deferred income tax assets	28,365,118.64	9,846,034.15		

(4) Details of unrecognized deferred tax assets

Item	Balance at year-end	Amount as at the beginning of the year
Deductible temporary differences (Note)	747,666,656.06	1,066,179,618.30
Deductible loss	582,960,196.13	425,695,527.42
Total	**1,330,626,852.19**	**1,491,875,145.72**

Note: The deductible temporary differences represent the total sum of each taxable entity within the consolidation scope, without consolidation offset. They are primarily formed from provisions for impairment of long-term equity investments, provision for inventory write-down, provision for impairment of fixed assets, and provision for impairment of receivables. The decrease in the current year was due to the disposal of two sets of gas-fired generator units by the subsidiary Shenzhen Nanshan Power Zhongshan Company during the year, with the corresponding reversal of the impairment provisions already made.

(5) Deductible losses for which deferred tax assets have not been recognized will expire in the following years

Year	Ending amount	Beginning amount	Remark
2026	63,604,302.14	63,604,302.14	
2027	80,366,503.74	80,366,503.74	
2028	64,019,012.24	64,019,012.24	
2029	26,972,406.84	27,077,804.55	
2030	83,108,090.85	28,971,851.73	
2031	41,303,572.32	41,303,572.32	
2032	73,523,304.11	73,523,304.11	
2033	15,746,106.25	15,746,106.25	
2034	31,083,070.34	31,083,070.34	
2035	103,233,827.30	-	
Total	**582,960,196.13**	**425,695,527.42**	

18. Other non-current assets

Item	Balance at year-end			Amount as at the beginning of the year		
	Balance of Book	Withdrawn impairment provision	Book balance	Balance of Book	Withdrawn impairment provision	Book balance
Prepayment for Project Construction of Zhongshan Independent Energy Storage Project (Note)				4,739,340.56		4,739,340.56
Expenses related to the functional replacement	857,135.84		857,135.84	857,135.84		857,135.84

Item	Balance at year-end			Amount as at the beginning of the year		
	Balance of Book	Withdrawn impairment provision	Book balance	Balance of Book	Withdrawn impairment provision	Book balance
of Nanshan Power Plant						
Total	**857,135.84**		**857,135.84**	**5,596,476.40**		**5,596,476.40**

Note: The decrease in the balance of other non-current assets during the period was mainly because the 300MW/600MWh independent energy storage power station (Phase I project) in Cuiheng New District, Zhongshan City, of the Company's subsidiary, Shenzhen Nanshan Power Xiwan Company, was transferred to fixed assets and put into operation during the year. The prepayment for project works from the previous year has been transferred to fixed assets.

19. Assets with restrictions on the ownership or use right

Item	Balance at year-end				Amount as at the beginning of the year			
	Balance of Book	Book balance	Restricted circumstances	Restricted circumstances	Balance of Book	Book balance	Restricted circumstances	Restricted circumstances
Monetary funds	8,334,730.76	8,334,730.76	Guarantee deposit	Frozen	7,912,100.00	7,912,100.00	Guarantee deposit	Frozen
Accounts receivable (Note)	20,975,701.75	20,975,701.75	Pledge	Pledged for bank borrowings				
Fixed assets (Note)	81,695,172.60	81,695,172.60	Pledge	Pledged for bank borrowings				
Total	**111,005,605.11**	**111,005,605.11**	—	—	**7,912,100.00**	**7,912,100.00**	—	—

Note: During the reporting period, the newly added assets with restricted ownership were mainly due to the Company's subsidiary, Shenzhen Nanshan Power Xiwan Company, pledging its own fixed assets of the independent energy storage power station (Phase I project) and 47.62% of the accounts receivable generated from its operation to the Postal Savings Bank of China for a loan of RMB 90,285,550.79, and providing a pledge guarantee with 52.38% of the accounts receivable generated from the operation of its own 300MW/600MWh independent energy storage power station (Phase I project) in Cuiheng New District, Zhongshan City, for a loan of RMB 82,108,188.06 from the Shanghai Pudong Development Bank Shenzhen Branch.

20. Short-term borrowings

(1) Classification of short-term borrowings

Category of borrowings	Balance at year-end	Amount as at the beginning of the year
Unsecured borrowings (Note 1)	142,000,000.00	106,558,036.22
Pledged borrowings (Note 2)	30,000,000.00	162,000,000.00
Accrued interest on short-term borrowings	94,604.45	56,972.97
Total	**172,094,604.45**	**268,615,009.19**

Note 1: During the reporting period, the Company obtained an unsecured loan of RMB 48.00 million from Shanghai Pudong Development Bank Co., Ltd. Shenzhen Branch, and an unsecured loan of RMB 94.00 million from China Merchants Bank Co., Ltd. Shenzhen Branch.

Note 2: During the reporting period, the Company's subsidiary, Shennandian Engineering Company, pledged its own invention patent rights to China Merchants Bank Co., Ltd. Shenzhen Branch for a loan of RMB 30.00 million.

21. Accounts payable

(1) List of accounts payable

Item	Balance at year-end	Amount as at the beginning of the year
Payables for goods, labor and services	41,864,909.45	13,560,180.89
Electricity bill	796,684.64	461,976.72
Total	**42,661,594.09**	**14,022,157.61**

Note: The increase in the balance of accounts payable during the period compared to the end of the previous year was mainly due to the acquisition of Energy Technology Company under non-common control during this reporting period, which led to the addition of this entity to the scope of consolidated financial statements, resulting in a corresponding increase in accounts payable at the end of the period compared to the beginning of the period. At the same time, the 300MW/600MWh independent energy storage power station (Phase I project) in Cuiheng New District, Zhongshan City of Shenzhen Nanshan Power Xiwan Company has been transferred to fixed assets and put into operation during the period, and the unsettled project payments at the end of the period also led to an increase in accounts payable.

(2) Significant accounts payable with an aging of more than one year or overdue

Unit name	Balance at year-end	Reason for no settlement or carrying-forward
Guangzhou Zike Environmental Technology Co., Ltd.	1,872,500.00	Not yet due
Shenzhen Yongtai Shuneng Technology Co., Ltd.	441,926.35	Retention money not yet due
Total	**2,314,426.35**	—

22. Other payables

Item	Balance at year-end	Amount as at the beginning of the year
Interest payable		
Dividend payable	22,500,000.00	
Other payables	10,823,386.05	15,685,234.29
Total	**33,323,386.05**	**15,685,234.29**

22.1 Dividends payable

Item	Balance at year-end	Amount as at the beginning of the year
Ordinary shares dividends	22,500,000.00	
Total	**22,500,000.00**	

Note: The increase in dividends payable during the period was mainly because the Company's subsidiary, Xiefu Company, held its first shareholders' meeting of 2025 on December 23, 2025, at which the "Profit Distribution Plan for 2024 of Xiefu Company" was reviewed and approved. Accordingly, dividends payable were recognized, leading to an increase in the balance of dividends payable at the end of the period compared to the beginning of the period.

22.2 Other payables

(1) Other payables by nature

Payment nature	Balance at year-end	Amount as at the beginning of the year
Labor and service fees	8,995,374.51	14,687,088.11
Guarantee	1,254,325.72	750,651.39
Others	573,685.82	247,494.79
Total	**10,823,386.05**	**15,685,234.29**

(2) Significant other payables with an aging of over 1 year or overdue

Unit name	Balance at year-end	Reason for no settlement or carrying-forward
Zhongshan Xiwan Construction Investment Co., Ltd.	4,415,015.60	Not yet due
China Offshore Oil Guangdong Natural Gas Co., Ltd.	971,444.00	Accrued expenses
Shenzhen Shennong Kitchen Co., Ltd.	300,000.00	Security deposit not yet due for payment
Shenzhen Jinzhixin Investment Co., Ltd.	160,000.00	Security deposit not yet due for payment
Zhongshan Nanlang Construction and Development Co., Ltd.	166,492.72	Not yet due
Total	**6,012,952.32**	—

23. Contract liabilities

(1) Contract liabilities

Item	Balance at year-end	Amount as at the beginning of the year
Prepayments received for comprehensive energy services		50,000.00
Prepayments received for disposal of waste materials	130,796.46	
Total	**130,796.46**	**50,000.00**

(2) No significant contract liabilities with an aging of over 1 year

24. Employee compensation payable

(1) Classification of employee benefits payable

Item	Amount as at the beginning of the year	Increase in the year	Closing balance	Balance at year-end
Short-term compensation	16,052,879.47	110,632,039.53	107,188,425.05	19,496,493.95
Post-employment benefits - defined contribution plans		17,813,926.38	12,550,866.55	5,263,059.83

Item	Amount as at the beginning of the year	Increase in the year	Closing balance	Balance at year-end
Dismissal benefits		872,962.46	872,962.46	
Other benefits due within one year				
Total	**16,052,879.47**	**129,318,928.37**	**120,612,254.06**	**24,759,553.78**

(2) Short-term compensation

Item	Amount as at the beginning of the year	Increase in the year	Closing balance	Balance at year-end
Wages, bonuses, allowances and subsidies	15,180,182.34	89,766,895.18	86,203,229.46	18,743,848.06
Employee welfare	731,700.11	4,986,114.72	5,078,811.21	639,003.62
Social insurance premiums		4,680,731.18	4,675,950.39	4,780.79
Including: Medical insurance		3,737,049.09	3,733,355.89	3,693.20
Work injury insurance		575,285.92	574,591.22	694.70
Maternity insurance		368,396.17	368,003.28	392.89
Public reserves for housing		9,267,711.08	9,267,711.08	
Union funds and staff education fee	140,997.02	1,930,587.37	1,962,722.91	108,861.48
Short-term paid absences				
Short-term profit-sharing plans				
Total	**16,052,879.47**	**110,632,039.53**	**107,188,425.05**	**19,496,493.95**

(3) Defined contribution plans

Item	Amount as at the beginning of the year	Increase in the year	Closing balance	Balance at year-end
Basic pension insurance		11,945,009.49	11,932,120.97	12,888.52
Annuity payment		619,363.08	618,745.58	617.50
Enterprise annuity contributions		5,249,553.81		5,249,553.81
Total		**17,813,926.38**	**12,550,866.55**	**5,263,059.83**

25. Taxes and surcharges payable

Item	Balance at year-end	Amount as at the beginning of the year
VAT	7,325,234.37	4,261,775.21
Enterprise Income tax	590,069.41	9,140,402.85
Individual Income tax	389,405.86	712,556.99
Stamp tax	160,274.65	172,648.01
Urban maintenance and construction tax	31,046.65	32,043.68
Surcharge for education	13,305.70	13,687.09
Local education surcharge	8,870.47	9,201.24
Others	13,591.08	6,592.97
Total	**8,531,798.19**	**14,348,908.04**

26. Non-current liabilities due within 1 year

Item	Balance at year-end	Amount as at the beginning of the year
Long-term borrowings maturing within one year	4,156,564.01	
Lease liabilities maturing within one year	3,184,246.73	4,466,835.32
Total	**7,340,810.74**	**4,466,835.32**

27. Other current liabilities

(1) Classification of other current liabilities

Item	Balance at year-end	Amount as at the beginning of the year
Output tax to be transferred	2,425,298.89	
Interests of other partners in partnership		403.82
Progress payments for land reservation and acquisition compensation (Note)		107,922,581.00
Total	**2,425,298.89**	**107,922,984.82**

Note: The decrease in other current liabilities during the period was mainly due to the transfer of the compensation for Parcel B received by Shenzhen Nanshan Power Zhongshan Company, a subsidiary of the Company, for the land reservation and acquisition. The total compensation for the land reservation and acquisition of Parcel B is RMB 359,592,228, and the cumulative progress payments received as of the end of 2025 amounted to RMB 107,922,581. As of the end of the reporting period, the handover of Parcel B has been completed, and the corresponding compensation received has been transferred to gains on disposal of assets. For details of the relevant land reservation and acquisition matters, please refer to Note V.5 Other receivables in these financial statements.

28. Long-term borrowings

(1) Classification of long-term borrowings

Category of borrowings	Balance at year-end	Amount as at the beginning of the year
Pledged borrowings (Note)	168,421,492.31	
Total	**168,421,492.31**	

Note: For details of the new long-term borrowings during the reporting period, please refer to the notes in Note V.19.

29. Lease liabilities

Item	Balance at year-end	Amount as at the beginning of the year
Lease liabilities	27,852,266.89	6,592,745.50
Non-current liabilities due within one year	-3,184,246.73	-4,466,835.32
Total	**24,668,020.16**	**2,125,910.18**

Note: For details of the new lease liabilities during the reporting period, please refer to the notes in Note V.14 Right-of-use assets in these financial statements.

30. Estimated liabilities

Item	**Balance at year-end**	**Amount as at the beginning of the year**	**Reason**
Pending litigation	345,106.00		Note 1
Others	19,839.00		
Total	**364,945.00**		—

Note 1: During the reporting period, Energy Technology Company, a subsidiary of the Company, had a service contract dispute with Xinjiang Shizilu Information Consulting Co., Ltd. The pending litigation involves a present obligation, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount can be measured reliably, so a corresponding provision for liabilities of RMB 345,106.00 was made.

31. Deferred income

(1) Classification of deferred income

Item	**Amount as at the beginning of the year**	**Increase in the year**	**Closing balance**	**Balance at year-end**	**Reason**
Government subsidies	61,522,875.97		19,609,428.56	41,913,447.41	See Table (2) for details
Total	**61,522,875.97**		**19,609,428.56**	**41,913,447.41**	—

(2) Government grant programs

Liabilities Item	Year-beginning Balance	The amount of new subsidy added in the current year	The amount of other income included in the current year	Others Change	Year-end Balance	Asset-related/Income-related
Subsidy for special funds for industrial development	750,000.00		375,000.00		375,000.00	Asset-related
Support plan for industrial energy and resource conservation and comprehensive utilization projects to support green development and promote industrial "carbon peaking"	1,095,000.00		547,500.00		547,500.00	Asset-related
Government subsidy for low-nitrogen equipment retrofitting	14,181,085.14		458,768.16	-13,263,548.36	458,768.62	Asset-related

Liabilities Item	Year-beginning Balance	The amount of new subsidy added in the current year	The amount of other income included in the current year	Others Change	Year-end Balance	Asset-related/Income-related
Subsidy for motor energy efficiency improvement program	228,960.00		34,560.00		194,400.00	Asset-related
Shenzhen atmospheric environment quality improvement subsidy	43,603,288.08		4,731,818.16		38,871,469.92	Asset-related
Subsidies for 2021–2022 Technical Renovation Investment Projects	846,722.21		70,666.68		776,055.53	Asset-related
Circular economy support fund for sludge drying equipment	817,820.54		127,567.20		690,253.34	Asset-related
Total	**61,522,875.97**		**6,345,880.20**	**-13,263,548.36**	**41,913,447.41**	

32. Stock capital

Item	Amount as at the beginning of the year	Increase/decrease in the current year					Balance at year-end
		Issuance of new share	Bonus shares	Capitalization of public reserve	Others	Subtotal	
Total share capital	**602,762,596.00**						**602,762,596.00**

33. Capital reserves

Item	Amount as at the beginning of the year	Increase in the year	Closing balance	Balance at year-end
Share premium	233,035,439.62			233,035,439.62
Other capital reserves	129,735,482.48		3,519.72	129,731,962.76
Total	**362,770,922.10**		**3,519.72**	**362,767,402.38**

34. Other comprehensive income

Item	Year-beginning Balance	Amount						Year-end Balance
		Amount before income tax	Less: Amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period	Less: Prior period included in other composite income transfer to retained income in the current period	Less: Income tax expenses	After-tax attribute to the parent company	After-tax attribute to minority shareholder	
I. Other comprehensive income that cannot be reclassified into profit or loss	1,683,054.57	29,381,002.63				29,381,002.63		31,064,057.20
Including: Changes in fair value of investment in other equity	1,683,054.57	29,381,002.63				29,381,002.63		31,064,057.20

Item	Year-beginning Balance	Amount						Year-end Balance
		Amount before income tax	**Less: Amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period**	**Less: Prior period included in other composite income transfer to retained income in the current period**	**Less: Income tax expenses**	**After-tax attribute to the parent company**	**After-tax attribute to minority shareholder**	
instruments								
Total of other comprehensive income	**1,683,054.57**	**29,381,002.63**				**29,381,002.63**		**31,064,057.20**

35. Special reserves

Item	Amount as at the beginning of the year	Increase in the year	Closing balance	Balance at year-end
Work safety cost		5,433,144.37	5,022,566.75	410,577.62
Total		**5,433,144.37**	**5,022,566.75**	**410,577.62**

Note: In accordance with the Administrative Measures for the Accrual and Use of Enterprise Work Safety Costs (Cai Zi [2022] No. 136) (issued on December 12, 2022), the company accrues work safety costs for its power generation business, which are recognized in the profit or loss for the current period and simultaneously transferred to special reserves.

36. Surplus reserve

Item	Amount as at the beginning of the year	Increase in the year	Closing balance	Balance at year-end
Statutory surplus reserve	310,158,957.87			310,158,957.87
Discretionary surplus reserve	22,749,439.73			22,749,439.73
Total	**332,908,397.60**			**332,908,397.60**

37. Retained profits

Item	Amount of current period	Amount of previous period
Unappropriated profits at the end of the previous year before adjustment	185,255,604.81	163,346,776.24
Total adjustment to unappropriated profits at the beginning of the year (increase +, decrease -)		
Including: Retrospective adjustments for Accounting Standards for Business Enterprises and related new regulations		
Changes in accounting policies		
Correcting of previous errors		
Change in the scope of consolidation under common control		
Other adjustment factors		

Item	Amount of current period	Amount of previous period
Adjusted undistributed profit at the beginning of the year	185,255,604.81	163,346,776.24
Add: Net profit for the current year attributable to owners of the parent company	161,038,200.40	21,908,828.57
Less: Withdrawal of statutory surplus reserve		
Arbitrary surplus reserve withdrawn		
Appropriation to general risk reserve		
Common stock dividends payable		
Ordinary share dividends converted into share capital		
Transfer of other comprehensive income to retained earnings		
Others	-1,352,892.26	
Closing balance	**347,646,697.47**	**185,255,604.81**

38. Operating revenue and operating costs

(1) Operating revenue and operating costs

Item	Amount		Amount incurred in the previous year	
	Business income	Business cost	Business income	Business cost
Income from Main Business	389,841,302.96	309,891,815.62	437,329,918.38	410,482,141.18
Other business	11,840,280.14	5,347,883.32	5,642,037.47	4,964,591.21
Total	**401,681,583.10**	**315,239,698.94**	**442,971,955.85**	**415,446,732.39**

(2) Breakdown by product or service type

Item	Amount		Amount incurred in the previous year	
	Business income	Business cost	Business income	Business cost
Power generation and sales	279,495,457.00	252,124,628.83	419,930,286.71	405,194,367.48
Integrated energy	136,569,934.67	82,619,474.31	39,382,694.07	28,530,461.10

services				
Others	12,488,919.77	5,392,870.61	5,768,308.02	1,223,850.40
Consolidation elimination	-26,872,728.34	-24,897,274.81	-22,109,332.95	-19,501,946.59
Total	**401,681,583.10**	**315,239,698.94**	**442,971,955.85**	**415,446,732.39**

(3) Breakdown by region

Item	Amount		Amount incurred in the previous year	
	Business income	Business cost	Business income	Business cost
Domestic	401,681,583.10	315,239,698.94	442,971,955.85	415,446,732.39
Total	**401,681,583.10**	**315,239,698.94**	**442,971,955.85**	**415,446,732.39**

(4) Revenue from contracts

Item	Amount	Amount incurred in the previous year
	Business income	Business income
Classified by contract performance obligation		
Including: Revenue recognized at a point in time	289,833,492.70	425,572,324.18
Revenue recognized over time	111,848,090.40	17,399,631.67
Total	**401,681,583.10**	**442,971,955.85**

39. Taxes and surcharges

Item	Amount	Amount incurred in the previous year
Property tax	1,731,514.72	2,329,842.01
Land use taxes	781,418.14	937,331.78
Stamp tax	398,025.99	499,797.33
Urban maintenance and construction tax	489,045.33	468,703.79
Surcharge for education	209,545.45	200,873.02

Item	Amount	Amount incurred in the previous year
Local education surcharge	139,696.97	133,915.34
Environmental Protection Tax	135,429.03	49,598.31
Vehicle and vessel tax	5,366.70	1,800.00
Total	**3,890,042.33**	**4,621,861.58**

40. Sales expenses

Item	Amount	Amount incurred in the previous year
Employee remuneration	2,517,349.71	2,529,240.42
travel expense	320,284.30	57,932.89
Business entertainment	138,491.35	73,589.20
Administrative expenses	61,725.34	2,189.62
Rental	40,621.60	
Technical service fee	60,372.64	
Intermediary agency fees	64,150.94	478,121.30
Others	19,726.70	14,531.15
Total	**3,222,722.58**	**3,155,604.58**

41. Management expenses

Item	Amount	Amount incurred in the previous year
Employee remuneration	62,075,439.83	65,990,120.42
Depreciation	10,440,847.03	11,649,901.01
Intermediary agency fee	4,233,307.25	1,992,538.79
Utilities and property management fees	1,404,502.69	2,392,530.81
Communication and information fees	1,240,388.07	902,311.16
Administrative expenses	1,078,231.23	709,686.09
Vehicle usage fees	852,811.96	756,417.89
Business entertainment	781,548.57	1,602,591.82
Repair charge	735,838.22	1,289,469.91
Greening and cleaning fees	706,662.60	728,772.95
Rental	664,206.06	581,042.03

Item	Amount	Amount incurred in the previous year
travel expense	653,692.13	824,632.99
Amortization of intangible assets	490,060.38	332,318.80
Amortization of Long-term deferred expenses	222,539.89	407,144.04
Share certificate fee	193,946.80	256,854.79
Director's dues	5,792.50	406,182.95
Others	2,660,835.13	4,684,582.58
Total	**88,440,650.34**	**95,507,099.03**

42. R&D expenses

Item	Amount	Amount incurred in the previous year
Employee remuneration	15,276,526.20	14,757,285.96
Depreciation	1,017,275.63	6,091,463.31
Others	767,447.96	493,029.00
Total	**17,061,249.79**	**21,341,778.27**

43. Financial expenses

Item	Amount	Amount incurred in the previous year
Interest expense	4,244,754.09	11,829,545.09
Less: interest income	1,093,690.21	5,185,764.60
Add: Exchange losses	136,332.06	-91,424.96
Other expenses	191,008.40	263,409.57
Total	**3,478,404.34**	**6,815,765.10**

44. Other income

Source of other income	Amount	Amount incurred in the previous year
(IX) Government subsidies	14,823,430.20	6,832,542.00
Individual income tax refund	110,868.48	34,481.46
Total	**14,934,298.68**	**6,867,023.46**

Government grants included in other income

Subsidy Items	Amount	Amount incurred in the previous year	Asset-related/Income-related
Subsidy for encouraging industrial enterprises to grow and strengthen in 2025	8,051,800.00		Income -related
Tax incentives for employing demobilized military personnel	42,750.00		Income -related
Bonus of 2025 Shenzhen Talent Introduction Bole Award	30,000.00		Income -related
Shenzhen Innovation and Entrepreneurship Program Award	150,000.00		Income -related
Subsidy for special funds for industrial development	375,000.00	375,000.00	Asset-related
Support plan for industrial energy and resource conservation and comprehensive utilization projects to support green development and promote industrial "carbon peaking"	547,500.00	547,500.00	Asset-related
Shenzhen atmospheric environment quality improvement subsidy	4,731,818.16	4,731,818.21	Asset-related
Government subsidy for low-nitrogen equipment retrofitting	458,768.16	458,768.16	Asset-related
Subsidy for motor energy efficiency improvement program	34,560.00	34,560.00	Asset-related
Technological transformation subsidy	70,666.68	70,666.68	Asset-related
Job stabilization subsidy		83,669.90	Income -related
One-time employment	3,000.00	1,000.00	Income -related

Subsidy Items	Amount	Amount incurred in the previous year	Asset-related/Income-related
expansion subsidy			
Subsidy for Promoting the Sustained and Stable Operation of Industrial Enterprises above Designated Size		139,600.00	Income -related
Subsidy from special funds for high-quality industrial development	200,000.00	241,800.00	Income -related
Circular economy support fund for sludge drying equipment	127,567.20	128,159.05	Asset-related
Subsidy to support industrial enterprises in increasing production and efficiency		20,000.00	Income -related
Total	**14,823,430.20**	**6,832,542.00**	

45. Investment income

Item	Amount	Amount incurred in the previous year
Income from long-term equity investment measured by adopting the equity method	12,445,694.39	6,326,077.76
Investment income of trading financial assets during the holding period	10,600,665.22	11,286,239.10
Dividend income earned during investment holdings in other equity instruments	5,600,000.00	201,969.03
Investment income from disposal of long-term equity investments		66,718,753.76
Bill discounting expenses		-44,739.75
Others	188,979.34	
Total	**28,835,338.95**	**84,488,299.90**

46. Credit loss

Item	Amount	Amount incurred in the previous year
Losses from bad debts of accounts receivable	-4,771,977.82	-10,381,410.65
Bad debt loss of other receivables	-19,897.15	-1,000,000.00
Total	**-4,791,874.97**	**-11,381,410.65**

47. Asset impairment loss

Item	Amount	Amount incurred in the previous year
Fixed asset impairment loss		-63,982,886.86
Impairment loss on inventories, contract performance costs, etc. (Note)	-26,366,298.90	-2,406,652.82
Total	**-26,366,298.90**	**-66,389,539.68**

Note: The provision for inventory depreciation recognized in the current period is mainly attributable to the impact of the national "Dual Carbon" strategy and the power market-oriented reform. The peak-shaving demand for the Company’s three sets of 9E natural gas-fired generating units has decreased, resulting in a substantial decline in power generation and operating hours in 2025 compared with previous periods. In addition, inventory spare parts are mainly special parts for 9E gas turbines, which cannot be adapted to the subsequent upgrading and transformation of generating units, and some spare parts are expected to become idle. Accordingly, the provision for inventory depreciation has been made.

48. Gains from disposal of assets

Item	Amount of current period Amount incurred	Amount of previous period Amount incurred
Income from disposal of non-current assets	284,413,055.16	163,529,971.97
Total	**284,413,055.16**	**163,529,971.97**

Note: The gain on asset disposal in the current period was mainly from the land reservation and acquisition of Shenzhen Nanshan Power Zhongshan Company. According to the CSRC's "Regulatory Rules Application Guidelines - Accounting No. 3," for "expenses incurred by an enterprise to perform the above-mentioned asset disposal transactions, such as demolition losses of houses and other attachments, relocation expenses, and employee benefits paid during the production suspension period, if it is expected that these can be compensated by the future asset disposal consideration, the enterprise may temporarily include them in other current assets or other non-current assets according to their liquidity, and transfer them to profit or loss upon derecognition of the disposed assets." The land reservation and acquisition compensation for Parcel B of Shenzhen Nanshan Power Zhongshan Company was RMB 350,592,200, and the final recognized costs and expenses for Parcel B were RMB 66,469,000, resulting in a net gain from land reservation and acquisition of RMB 284,123,200. The specific figures are as follows:

Item	Amount incurred for the current year (in ten thousand RMB)	Amount incurred for the previous year (in ten thousand RMB)
Land reservation and acquisition compensation	35,059.22	22,471.16
Subtotal of income	**35,059.22**	**22,471.16**
Demolition loss of houses, buildings, land use rights and other attachments	3,577.16	2,688.35
Employee benefits paid during production suspension	2,950.37	2,178.32
Relocation expenses, etc.	119.37	1,302.62
Subtotal of expenses	**6,646.90**	**6,169.29**
Net gain from land reservation and acquisition	**28,412.32**	**16,301.87**

49. Non-operation income

Item	Amount	Amount incurred in the previous year	Amount included in non-recurring gains and losses for the current year
Reversal of credit impairment loss before consolidation under common control	579,165.68		579,165.68
Non-current asset Disposition loss	265,631.84		265,631.84
Transitional resettlement fee for house demolition		453,068.40	
Compensation income for breach of contract		100,000.00	
Others	2.39		2.39
Total	**844,799.91**	**553,068.40**	**844,799.91**

50. Non-operating expenses

Item	Year 2025	Year 2024	Amount included in non-recurring gains and losses for the current year
Expenditures related to historical legacy issues	733,996.77		733,996.77
Compensation and liquidated damages	643,015.02		643,015.02
Provision for pending litigation	364,945.00		364,945.00
Loss from the damage and scrapping of non-current assets	103,855.65	121,310.78	103,855.65
Others	157,913.07	14,023.70	157,913.07
Total	**2,003,725.51**	**135,334.48**	**2,003,725.51**

51. Income tax expenses

(1) Income tax expenses

Item	Amount	Amount incurred in the previous year
Current income tax expense	823,971.85	9,140,402.85
Deferred income tax expense	10,187,723.33	547,366.49
Total	**11,011,695.18**	**9,687,769.34**

(2) Reconciliation of accounting profit and income tax expense

Item	Amount
Total consolidated profit for the current year	266,214,408.10
Current income tax expense accounted by tax and relevant	39,932,161.22
Influence of different tax rates applied by some subsidiaries	34,359,071.94
Influence of adjustments to the income tax for the prior years	233,902.44
The impact of non-taxable income	-3,677,517.27

Item	Amount
Non-deductible costs, expenses and losses	947,546.43
Impact of additional deduction for R&D expenses	-2,559,187.47
Influence of deductible losses on the use of preliminarily unrecognized deferred tax assets in previous periods	767,414.63
Effect of deductible temporary differences or deductible losses from deferred tax assets unrecognized in the current year	-58,991,696.74
Income tax expenses	**11,011,695.18**

52. Other comprehensive income

For details, see "V. 34 Other Comprehensive Income" in this note.

53. Items in the statement of cash flows

(1) Cash related to operating activities

1) Other cash received related to operating activities

Item	Amount	Amount incurred in the previous year
Current account payments received, etc.	6,141,928.98	9,172,925.54
Government grant income	8,477,550.00	372,441.17
Guarantee deposit returned	2,840,736.39	5,453,862.93
Interest income	1,331,126.41	5,646,611.86
Total	**18,791,341.78**	**20,645,841.50**

2) Other cash paid related to operating activities

Item	Amount	Amount incurred in the previous year
Payment of period expenses	12,508,023.40	54,929,118.83
Payment of guarantee deposits	3,222,637.66	7,912,100.00
Payment of current account transactions, etc.	9,338,011.03	2,225,743.89
Total	**25,068,672.09**	**65,066,962.72**

(2) Cash related to investing activities

1) Other cash received related to investing activities

Item	Amount	Amount incurred in the previous year
Receipt of principal and interest on the loan to Huidong Server Company	15,015,192.12	
Receipt of compensation for the transition period (Note)	1,797,214.98	
Cash from redemption of structured deposits and large-denomination certificates of deposit		452,000,000.00
Others	747,000.10	
Total	**17,559,407.20**	**452,000,000.00**

Note: As approved by the eighth ad hoc meeting of the tenth Board of Directors and the fifth ad hoc meeting of the tenth Board of Supervisors held in May 2025, the Company acquired a 75% equity stake (corresponding to a registered capital of RMB 56.25 million) in Sichuan Ruinan from Shenzhen KELU Electronics Technology Co., Ltd. for a consideration of RMB 18,337,500. The equity transfer price was paid by assuming and repaying the debt of RMB 18,337,500 owed by Shenzhen KELU Electronics Technology Co., Ltd. to Sichuan Ruinan. In July 2025, Sichuan Ruinan was renamed Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. and was included in the scope of the Company's consolidated financial statements.

In accordance with Clause 6.1 of Article 6 of the Equity Transfer Agreement, and based on the Special Audit Report on the Operating Results During the Transition Period of the 75% Equity Transaction Project of Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd.(Grant Thornton Special Document No. 441C019665 (2025)) issued by Grant Thornton Certified Public Accountants (Special General Partnership) Shenzhen Branch, jointly recognized by the Company and Shenzhen Kelu Electronics Co., Ltd., Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. incurred a loss of RMB 2,396,286.64 during the period from the benchmark date to the delivery date. Accordingly, Shenzhen Kelu Electronics Co., Ltd. shall pay compensation of RMB 1,797,214.98 to the Company. The Company received the full amount of such transition period compensation on September 29, 2025. After deducting the aforesaid transition period compensation, the actual cost of this equity investment is RMB 16.5403 million yuan.

2) Other cash paid related to investing activities

Item	Amount	Amount incurred in the previous year
Cash for placement of structured deposits and large-denomination certificates of deposit	291,000,000.00	226,000,000.00

Item	Amount	Amount incurred in the previous year
Others	1,181,765.23	
Total	**292,181,765.23**	**226,000,000.00**

3) Cash paid related to financing activities

1) Other cash paid related to financing activities

Item	Amount	Amount incurred in the previous year
Payment of principal and interest on lease liabilities	6,727,211.00	6,927,038.90
Total	**6,727,211.00**	**6,927,038.90**

2) Changes in various liabilities arising from financing activities

Item	Amount as at the beginning of the year	Increase in the year		Closing balance		Balance at year-end
		Changes in cash	Non-cash Change	Changes in cash	Non-cash Change	
Short-term borrowings	268,615,009.19	172,000,000.00	3,012,867.15	271,533,271.89		172,094,604.45
Long-term borrowings		172,393,748.85	1,922,460.60	1,738,153.13	4,156,564.01	168,421,492.31
Non-current liabilities due within 1 year	4,466,835.32		7,485,840.13	4,611,864.71		7,340,810.74
Lease liabilities	2,125,910.18		27,569,454.84	1,768,351.28	3,258,993.58	24,668,020.16
Total	**275,207,754.69**	**344,393,748.85**	**39,990,622.72**	**279,651,641.01**	**7,415,557.59**	**372,524,927.66**

54. Supplement Information for cash flow statement

(1) Supplement Information for cash flow statement

Item	Year 2025	Year 2024
1. Adjusting net profit to cash flow from operating activities:	—	—
Net profit	255,202,712.92	63,927,424.48
Add: asset impairment provision	26,366,298.90	66,389,539.68
Credit loss	4,791,874.97	11,381,410.65
Depreciation of fixed assets and amortization of investment properties	27,582,389.71	21,685,435.41
Depreciation of right-of-use assets	5,876,049.06	4,803,425.47
Amortization of intangible assets	66,322.12	344,504.01
Amortization of Long-term deferred expenses	1,785,173.62	2,393,647.01
Amortization of deferred income	-6,176,839.05	-6,346,472.10
Losses on disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-284,413,055.16	-163,529,971.97
Losses on write-off of fixed assets ("-" for gains)		121,310.78
Losses from changes in fair value ("-" for gains)		
Financial expenses ("-" for gains)	3,669,245.07	11,829,545.09
Investment losses ("-" for gains)	-28,493,597.70	-84,488,299.90
Decrease in deferred tax assets ("-" for increase)	-3,639,858.88	547,366.49
Increase in deferred tax liabilities ("-" for decrease)	9,846,034.15	
Decrease in inventories ("-" for increase)	24,073,980.42	16,156,331.74
Decrease in operating receivables ("-" for increase)	-27,848,792.09	36,300,129.85
Increase in operating payables ("-" for decrease)	-25,489,459.91	-19,151,092.74
Others		
Net cash flow from operating activities	-16,801,521.85	-37,635,766.05
2. Significant investing and financing		

Item	Year 2025	Year 2024
activities not involving cash receipts and payments:		
Transfer of debts into capital		
Convertible corporate bonds maturing within 1 year		
Fixed assets leased from financing		
3. Net change in cash and cash equivalents:		
Ending balance of cash	133,255,608.28	471,067,121.66
Less: Beginning balance of cash	471,067,121.66	310,734,919.56
Plus: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-337,811,513.38	160,332,202.10

(2) Net cash paid for the acquisition of subsidiaries during the year

Item	Amount
Cash or cash equivalents paid in the current period for business combinations that occurred during the year	
Less: cash and cash equivalents held by the subsidiary on the acquisition date	747,000.10
Plus: cash or cash equivalents paid in the current period for business combinations that occurred in prior periods	
Net cash paid for the acquisition of subsidiaries	-747,000.10

Note: During the year, the Company acquired a 75% equity interest in Energy Technology Co., Ltd. by assuming its debts. The cash and cash equivalents held by the subsidiary on the acquisition date amounted to RMB 747,000.10. According to the Accounting Standards for Business Enterprises No. 31 - Cash Flow Statements and its application guidelines, the net cash paid for the acquisition of a subsidiary should be calculated as "cash consideration paid - cash and cash equivalents held by the subsidiary". Therefore, the net cash paid for the acquisition of the subsidiary in the current period was RMB -747,000.10.

(3) Composition of cash and cash equivalents

Item	Balance at year-end	Amount as at the beginning of the year
I. Cash	133,255,608.28	471,067,121.66

Item	Balance at year-end	Amount as at the beginning of the year
Including: Cash at hand	30,635.36	30,264.98
Demand bank deposit	133,224,939.09	471,032,644.67
Demand other monetary funds	33.83	4,212.01
Deposits in the central bank available for payment		
Due from Banks		
Due from Banks and Other Financial Institutions		
II. Cash equivalent		
Including: bond investments maturing within three months		
III. Balance of cash and cash equivalents at year-end	133,255,608.28	471,067,121.66
Including: cash and cash equivalents with restricted use right by parent company or subsidiaries of the company		

(4) Monetary funds not classified as cash and cash equivalents

Item	The current period	Amount in previous period	Reasons for not classified as cash and cash equivalents
Guarantee deposits, etc.	8,334,730.76	7,912,100.00	Frozen, restricted
Total	**8,334,730.76**	**7,912,100.00**	

55. Foreign currency monetary items

(1) Foreign currency monetary items

Item	Year-end foreign currency balance	Exchange rate	Ending balance translated into RMB
Monetary funds	—	—	6,049,601.70
Including: USD	842,886.94	7.0288	5,924,483.72
EUR	1,018.00	8.2355	8,383.74
Singapore Dollar	114,931.15	0.9032	103,808.11
HKD	2,368.03	5.4586	12,926.13

56. Leasing

(1) The Company as a lessee

Item	Amount	Amount incurred in the previous year
Interest expense on lease liabilities	914,888.83	176,995.22
Total cash outflow related to leases	6,727,211.00	5,048,300.00

(2) The Company as a lessor

1) Operating leases where the Company is the lessor

Item	Lease income	Thereinto: Income related to variable lease payments that are not included in lease receipts
Building leases	1,967,176.80	
Total	**1,967,176.80**	

VI. R&D expenditures

Item	Amount	Amount incurred in the previous year
Depreciation	1,017,275.63	6,091,463.31
Employee remuneration	15,276,526.20	14,757,285.96
Others	767,447.96	493,029.00
Total	**17,061,249.79**	**21,341,778.27**
Thereinto: Expensed R&D expenditures	17,061,249.79	21,341,778.27
Capitalized R&D expenditures		

VII. Change in the scope of consolidation

1. Business combination not under common control

(1) Business combination not under common control that occurred during the year

Name of acquiree	Time point of equity acquisition	Costs of equity acquisition	Equity acquisition ratio (%)	Methods of equity acquisition	Acquisition date	Determination basis of the acquisition date	Financial information of the acquiree from the acquisition date to the year-end		
							Business income	Net profit	Net cash flow from operating activities
Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd.	June 30, 2025	RMB 16.5403 million	75%	Acquired by assuming debts	June 30, 2025	This transaction has been approved by the Board of Directors of both parties. The assets, personnel, and business of the target company have been delivered. The company has obtained substantial control over the target company, so June 30, 2025 is determined as the acquisition date	RMB 25.2658 million	RMB 0.5462 million	RMB -0.8417 million

(2) Cost of combination and goodwill

Item	Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd.
Fair value of debt issued or assumed	18,337,500.00
Receipt of compensation for the transition period	-1,797,214.98
Total combination costs	16,540,285.02
Less: fair value share of net identifiable assets	16,504,647.74
Less: Reversal of credit impairment loss or gain before consolidation under non-common control	614,802.96
Amount by which the cost of combination is less than the share of the fair value of identifiable net assets acquired	579,165.68

1) Explanation on the determination method of the fair value of the cost of combination

According to the Asset Appraisal Report on the Fair Value of Identifiable Net Assets of Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. for Financial Reporting Purposes (Shen Zhong Lian Ping Bao Zi [2025] No. 154) issued by Shenzhen China United Assets Appraisal Co., Ltd. (hereinafter referred to as "Shenzhen China United"), Shenzhen China United used June 30, 2025 as the valuation base date and evaluated the target assets using both the asset-based approach and the income approach. The valuation result from the income approach was adopted as the final conclusion. The appraised fair value of the identifiable net assets of Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. is RMB 22.0062 million, and the Company's share of the fair value of identifiable net assets based on its shareholding ratio is RMB 16.5046 million.

(3) Identifiable assets and liabilities of the acquiree on the acquisition date

Item	Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd.	
	Acquisition date	Acquisition date
	Book balance	Fair value
Assets:		
Monetary funds	787,733.04	787,733.04
Accounts receivable	13,124,461.77	13,124,461.77
Prepayment	543,856.45	543,856.45
Other receivables	22,133,666.27	22,133,666.27
Inventories	1,972,933.87	1,973,532.25
Contract assets	5,238,793.60	5,238,793.60

Item	Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd.	
	Acquisition date	Acquisition date
	Book balance	Fair value
Other current assets	26,792.43	26,792.43
Fixed assets	92,907.72	124,398.00
Right-of-use assets	289,885.67	289,885.67
Intangible assets	39,752.20	47,670.17
Deferred income tax assets	3,981,548.06	3,981,548.06
Liabilities:		
Borrowing		
Accounts payable	18,701,846.55	18,701,846.55
Contract liabilities	4,548,321.00	4,548,321.00
Employee compensation payable	315,130.60	315,130.60
Taxes and surcharges payable	1,125,420.38	1,125,420.38
Other payables	893,508.84	893,508.84
Non-current liabilities due within 1 year	88,542.20	88,542.20
Other current liabilities	409,348.89	409,348.89
Lease liabilities	184,022.27	184,022.27
Net assets	21,966,190.35	22,006,196.98
Less: minority equity		
Net assets acquired	21,966,190.35	22,006,196.98

2. Change in the scope of consolidation due to other reasons

The Company's subsidiary, Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership), completed its industrial and commercial deregistration on June 30, 2025, and has since been excluded from the scope of the Company's consolidated financial statements. The Company fulfilled its information disclosure obligations regarding this deregistration by disclosing the Announcement on the Completion of Deregistration of Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership) (Announcement No.: 2025-026) on the Shenzhen Stock Exchange on July 4, 2025.

VIII. Equity in other subjects

1. Interests in subsidiaries

(1) Composition of the enterprise group

Subsidiary name	Main place of business	Shareholding ratio (%)		Acquisition method
		Direct	Indirect	
Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.	Zhongshan	80.00		Establishment
Shenzhen Nanshan Power Gas Turbine Engineering Technology Co., Ltd.	Shenzhen	100.00		Establishment
Shenzhen Nanshan Power Environmental Protection Co., Ltd.	Shenzhen	100.00		Establishment
Shenzhen Server Energy Co., Ltd.	Shenzhen	50.00		Establishment
Shenzhen New Power Industrial Co., Ltd.	Shenzhen	100.00		Establishment
Shennan Energy (Singapore) Co., Ltd.	Singapore	100.00		Establishment
Hong Kong Hing Tak Shing Co., Limited	Hongkong		100.00	Establishment
Shenzhen Nanshan Power Xiwan Energy (Zhongshan) Co., Ltd.	Zhongshan		51.00	Establishment
Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd.	Chengdu	75.00		Acquisition

Note: (1) During the reporting period, Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership) has been liquidated and deregistered, and is no longer included in the scope of consolidated financial statements;(2) During the reporting period, the Company acquired a 75% equity stake in Sichuan Ruinan by assuming its debts. In July 2025, Sichuan Ruinan was renamed Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd. and was included in the scope of the Company's consolidated financial statements.

(2) Significant non-wholly owned subsidiary

Subsidiary name	Minority shareholding ratio (%)	Profit and loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	Balance of minority interests at year-end
Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.	20.00	79,800,291.14		-13,204,428.57
Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd.	25.00	46,791.91		5,548,317.27

(3) Key financial information of significant non-wholly-owned subsidiaries

Subsidiary name	Balance at year-end					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total of liability
Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.	449,883,274.52	212,738,236.64	662,621,511.16	549,867,941.06	202,794,601.98	752,662,543.04
Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd.	44,291,225.80	4,137,419.61	48,428,645.41	25,372,022.63	544,254.13	25,916,276.76

(Continued)

Subsidiary name	Amount as at the beginning of the year					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total of liability
Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.	231,477,900.81	84,593,178.85	316,071,079.66	732,191,175.33		732,191,175.33
Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd.						

(Continued)

Subsidiary name	Amount			
	Operating income	**Net profit**	**Total comprehensive income**	**Net cash flow from operating activities**
Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.	63,137,277.00	326,079,063.79	326,079,063.79	33,326,458.30
Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd.	25,265,828.91	546,178.30	546,178.30	-841,669.87

(Continued)

Subsidiary name	Amount incurred in the previous year			
	Operating income	**Net profit**	**Total comprehensive income**	**Net cash flow from operating activities**
Shenzhen Nanshan Power (Zhongshan) Power Co., Ltd.	11,113,824.47	66,876,307.89	66,876,307.89	-4,165,698.91
Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd.				

IX. Government subsidies

1. Liability items involving government grants

Accounting item	Amount as at the beginning of the year	The amount of new subsidy added in the current year	The amount of non-operating income included in the current year	Amount transferred to other income during the year
Deferred income	61,522,875.97			6,345,880.20

(Continued)

Accounting item	Other changes during the year	Balance at year-end	Asset-related/Income-related
Deferred income	13,263,548.36	41,913,447.41	Asset-related

2. Government grants recognized in profit or loss for the current period

Accounting item	Amount	Amount incurred in the previous year
46. Other income	8,477,550.00	6,832,542.00

X. Risks related to financial instruments

The Company's main financial instruments include equity investments, long-term and short-term borrowings, accounts receivable, accounts payable, and other receivables. Therefore, the Company is exposed to various financial instrument risks in its daily activities, mainly including market risk (such as exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate these risks are described below. The Company's management manages and monitors these risk exposures to ensure that the above risks are controlled within a limited range.

The Company uses sensitivity analysis techniques to analyze the potential impact of reasonable and possible changes in risk variables on the current profit or loss or shareholders' equity. As any risk variable seldom changes in isolation, and the correlation between the variables will have a significant effect on the final affected amount of the change of a risk variable, the following contents are carried out under the assumption that the change of each variable is independently.

1. Risk management objectives and policies

The objective of the Company's risk management is to strike an appropriate balance between risk and return, to minimize the negative impact of risks on the Company's operating performance, and to maximize the interests of shareholders and other equity investors. Based on this risk management objective, the Company's basic risk management strategy is to identify and analyze the various risks faced by the Company, establish appropriate risk tolerance thresholds and manage risks, and supervise various risks in a timely and reliable manner to control risks within a limited range.

(1) Market risk

1) Exchange rate risk

Exchange rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company matches foreign currency income with foreign currency expenditures as much as possible to reduce exchange rate risk. In addition, the Company may also enter into forward foreign exchange contracts or currency swap contracts to hedge against exchange rate risk. During the current and prior periods, the Company did not enter into any forward foreign exchange contracts or currency swap contracts.

The exchange rate risk faced by the Company mainly arises from financial assets and financial liabilities denominated in foreign currencies. The amounts of foreign currency financial assets and foreign currency financial liabilities translated into RMB are listed as follows:

Item	**Balance at year-end**	**Amount as at the beginning of the year**
Cash and cash equivalents - USD	5,924,483.72	6,051,803.55
Cash and cash equivalents - Other foreign currencies	125,117.98	158,516.38
Total	**6,049,601.70**	**6,210,319.93**

2) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Company's exposure to cash flow volatility of financial instruments arising from changes in interest rates mainly relates to bank borrowings at floating interest rates. The sensitivity analysis of interest rate risk is based on the following assumptions:

Changes in market interest rates affect the interest income or expense of variable-rate financial instruments; for fixed-rate financial instruments measured at fair value, changes in market interest rates only affect their interest income or expense; for derivative financial instruments designated as hedging instruments, changes in market interest rates affect their fair value, and all interest rate hedges are expected to be highly effective. The fair value changes of derivative financial instruments and other financial assets and liabilities are calculated using the discounted cash flow method based on market interest rates at the balance sheet date.

(2) Credit risk

Credit risk refers to the risk that one party to a financial instrument fails to discharge its obligations, resulting in financial loss to the other party. The Company is mainly exposed to customer credit risk arising from credit sales. Prior to entering into new contracts, the Company assesses the credit risk of new customers, including external credit ratings and, where available, bank credit references in certain cases. The Company sets a credit sales limit for each customer, which represents the maximum amount that does not require additional approval.

The Company ensures that its overall credit risk is within a controllable range through quarterly monitoring of existing customer credit ratings and monthly review of accounts receivable aging analysis. When monitoring customer credit risk, customers are grouped according to their credit characteristics. Customers rated as "high risk" are placed on a restricted customer list, and the Company can only make credit sales to them in future periods with additional approval; otherwise, they must be required to pay in advance.

(3) Liquidity risk

Liquidity risk refers to the risk that an enterprise will encounter a shortage of funds in fulfilling its obligations settled by delivering cash or other financial assets. The Company's policy is to ensure sufficient cash is available to repay maturing debts. Liquidity risk is centrally managed and controlled by the Company's finance department. The finance department monitors cash balances, readily realizable marketable securities, and rolling forecasts of cash flows for the coming 12 months to ensure the Company has adequate funds to settle its obligations under all reasonably foreseeable circumstances.

2. Sensitivity analysis

The Company uses sensitivity analysis techniques to analyze the potential impact of reasonable and possible changes in risk variables on the current profit or loss or shareholders' equity. As any risk variable seldom changes in isolation, and the correlation between the variables will have a significant effect on the final affected amount of the change of a risk variable, the following contents are carried out under the assumption that the change of each variable is independently.

(1) Sensitivity analysis of foreign exchange risk

Sensitivity analysis of foreign exchange risk assumes that all net investment hedging and cash flow hedging of overseas operations are highly effective.

On the basis of the above assumptions, with other variables unchanged, the pre-tax impact of possible reasonable exchange rate changes on current profits and losses and equity is as follows:

Item	Interest rate change	Amount		Amount incurred in the previous year	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
All foreign currencies	Appreciation of RMB by 5%	302,480.09	302,480.09	310,516.00	310,516.00
All foreign currencies	Depreciation of RMB by 5%	-302,480.09	-302,480.09	-310,516.00	-310,516.00

(2) Sensitivity analysis of interest rate risk

Sensitivity analysis of interest rate risk is based on the following assumptions:

Changes in market interest rates affect the interest income or expense of variable-rate financial instruments;

For fixed-rate financial instruments measured at fair value, changes in market interest rates only affect their interest income or expenses;

Changes in the fair value of derivative financial instruments and other financial assets and liabilities are calculated using the discounted cash flow method based on market interest rates at the balance sheet date.

As of December 31, 2025, the total interest on the Company's floating-rate bank borrowings amounted to RMB 2,610,882.82, including RMB 688,422.22 in interest on floating-rate short-term borrowings and RMB 1,922,460.60 in interest on long-term borrowings (of which non-capitalized interest was RMB 1,665,081.94 and capitalized interest was RMB 257,378.66). Based on the above assumptions and holding other variables constant, the pre-tax impact of a 50-basis-point change in interest rates on the current profit or loss and shareholders' equity is as follows:

Item	Interest rate change	Amount		Amount incurred in the previous year	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
Floating-rate loan	Increase of 50 basis points	-327,478.99	-371,360.36	-133,026.47	-133,026.47
Floating-rate loan	Decrease of 50	327,478.99	371,360.36	133,026.47	133,026.47

	basis points				

XI. Disclosure of fair value

The inputs used in the fair value measurement are classified into three levels:

The first level of input is the unadjusted quotation of the same asset or liability in an active market that can be obtained at the measurement date.

The second-level input value is the input value that is directly or indirectly observable for the underlying asset or liability in addition to the first-level input.

The third level input value is the unobservable input value of the underlying asset or liability.

The level to which the fair value measurement result belongs is determined by the lowest level of input that is significant to the fair value measurement as a whole.

1. Fair value of assets and liabilities measured at fair value at the end of the year

Item	Year-end fair value			
	Fair value measurement of Level 1	**Fair value measurement of Level 2**	**Fair value measurement of Level 3**	**Total**
I. Continuous measurement of fair value	—	—	—	—
Investment in other equity instruments			234,179,057.20	234,179,057.20
Including: Non-trading equity instrument investments			234,179,057.20	234,179,057.20
Financial assets held for trading			50,000,000.00	50,000,000.00
Total assets continuously measured at fair value			**284,179,057.20**	**284,179,057.20**

2. Qualitative and quantitative valuation techniques and important parameters of sustainable and non-sustainable items measured on the basis of fair value of level 2

The fair value of structured deposits at the end of the period is determined by forecasting future cash flows based on the product type and yield.

3. Qualitative and quantitative valuation techniques and important parameters of sustainable and non-sustainable items measured on the basis of fair value of level 3

For non-trading equity instrument investments and private equity investments, the Company uses valuation techniques to determine their fair value. The valuation models used mainly include the discounted cash flow model and the market comparable company model. The inputs to the valuation techniques mainly include risk-free interest rates, benchmark interest rates, exchange rates, credit spreads, liquidity premiums, and discounts for lack of liquidity.

XII. Related parties and related party transactions

1. Related-party relationships

(1) Information on the Company's parent company

No single shareholder of the Company holds 50% or more of the shares, nor can any shareholder exercise control over the Company through other means. Therefore, the Company has no parent company.

(2) Information on the Company's subsidiaries

For details on subsidiaries, please refer to Note VIII, 1. (1) Composition of the enterprise group.

(3) Other related parties

Other related parties	Relationship with the Company
Shenzhen Energy Corporation	Legal entities holding more than 5% of the Company's shares
HONG KONG NAM HOI (INTERNATIONAL) LTD	Legal entities holding more than 5% of the Company's shares
Shenzhen Guangju Industrial Co., Ltd.	Legal entities holding more than 5% of the Company's shares
Shenzhen Capital Holdings Co., Ltd.	Legal entities indirectly holding more than 5% of the Company's shares
Shenzhen Guangju Energy Co., Ltd. and its subsidiaries	Shenzhen Guangju Energy Co., Ltd. is a legal entity that indirectly holds more than 5% of the Company's shares

Shenzhen MTC Co., Ltd.	An enterprise controlled by Shenzhen Capital Operation Group Co., Ltd.
Shenzhen Clou Electronics Co., Ltd.	Affiliated enterprises held by Shenzhen Capital Operation Group Co., Ltd.
Shenzhen Eco-city Green Technology & Culture Co., Ltd.	Affiliated enterprises ultimately controlled by Shenzhen Capital Operation Group Co., Ltd.
Directors and senior management of the Company	Key management personnel

2. Related party transactions

(1) Related party transactions for purchase and sale of goods, and rendering and receipt of services

1) Purchase of goods/receipt of services

Related party	Content of related party transaction	Amount	Amount incurred in the previous year
Shenzhen Eco-city Green Technology & Culture Co., Ltd.	Providing event venues, materials, etc.	6,080.00	
Artron Art (Group) Co., Ltd. and its subsidiaries	Purchasing goods		28,918.50
Total		**6,080.00**	**28,918.50**

(2) Sale of goods/rendering of services

Related party	Content of related party transaction	Amount	Amount incurred in the previous year
Shenzhen Energy Corporation	Property management service	6,165,179.93	4,404,385.09
Shenzhen MTC Co., Ltd.	Energy management services	1,598,693.97	1,226,856.89
Shenzhen Clou	Engineering	2,556,511.01	252,689.25

Related party	Content of related party transaction	Amount	Amount incurred in the previous year
Electronics Co., Ltd.	installation services		
China Science Technology Development Institute Co., Ltd.	Technical transformation services		58,800.00
Total		**10,320,384.91**	**5,942,731.23**

(3) Remuneration of key management personnel

Name	Amount	Amount incurred in the previous year
Remuneration of key management personnel	RMB 6.2027 million	RMB 6.9511 million

2. Balances of receivables and payables with related parties

(1) Receivables

Name	Related party	Balance at year-end		Amount as at the beginning of the year	
		Balance of Book	Bad debt provisions	Balance of Book	Bad debt provisions
Account receivable	Shenzhen Energy Corporation	6,535,090.73		4,404,385.09	
Account receivable	Shenzhen MTC Co., Ltd.	250,027.10		457,639.61	
Contract assets	Shenzhen MTC Co., Ltd.	112,005.13			
Contract assets	China Science Technology Development Institute Co., Ltd.	1,664.15			
Account receivable	Shenzhen KELU Electronics Technology Co., Ltd. and its	66,264.00			

Name	Related party	Balance at year-end		Amount as at the beginning of the year	
		Balance of Book	Bad debt provisions	Balance of Book	Bad debt provisions
	subsidiaries				
Contract assets	Shenzhen Clou Electronics Co., Ltd.	139,330.00			
Other receivables	Shenzhen Clou Electronics Co., Ltd.	330,829.51			
Total		**7,435,210.62**		**4,862,024.70**	

(2) Payables

Name	Related party	Balance at year-end		Amount as at the beginning of the year	
		Balance of Book	Bad debt provisions	Balance of Book	Bad debt provisions
Accounts payable	Shenzhen KELU Electronics Technology Co., Ltd. and its subsidiaries	900,000.00			
Total		**900,000.00**			

XIII. Commitments and contingencies

(I) Significant commitments

1. Information on letters of guarantee issued as of December 31, 2025

The Company applied to Industrial Bank Co., Ltd. Shenzhen Branch for the issuance of a payment guarantee in the amount of RMB 30 million within the credit line, which will expire on July 10, 2026.

The Company applied to China Minsheng Banking Corp., Ltd. Shenzhen Branch for the issuance of a bid bond in the amount of USD 1 million, equivalent to RMB 7,028,800 (exchange rate of the People's Bank of China on December 31, 2025: 1 USD = 7.0288 RMB), which will expire on April 12, 2026.

The Company's subsidiary, Shenzhen Nanshan Power Environmental Protection Company, applied to China Merchants Bank Co., Ltd. Shenzhen Branch for the issuance of a performance guarantee in the amount of RMB 3.70 million within the credit line, which will expire on March 31, 2026.

2. Other commitments

As of December 31, 2025, apart from the matters mentioned above, the Company has no other significant commitments that need to be disclosed.

(II) Contingencies

As of December 31, 2025, the Company has no significant contingencies that need to be disclosed.

XIV. Matters after the balance sheet date

1. Profit distribution

The preliminary profit distribution plan for 2025, as reviewed and approved by the Board of Directors, is as follows: based on the total share capital of 602,762,596 shares as of December 31, 2025, a cash dividend of RMB 0.32 (tax inclusive) per 10 shares will be distributed to all shareholders. The total amount of cash dividends to be distributed is RMB 19,288,403.07 (tax inclusive). The Company will not distribute bonus shares or convert capital reserves into share capital in 2025, and the remaining undistributed profits will be carried forward to subsequent years.

XV. Other important matters

1. Annuity plan

According to the Company's enterprise annuity plan, the Company accrues and pays enterprise annuity at 8% of the employees' salaries.

2. Segment information

(1) Determination basis and accounting policies for reporting segments

For management purposes, the Company and its subsidiaries are divided into business units based on products and services, and the Company has the following three reportable segments:

(1) Power generation and sales segment;

(2) Integrated energy services segment;

(3) Other segments

The management of the Company regularly evaluates the operating results of the operating segments to decide on the allocation of resources to them and to evaluate their performance.

Information on segment reporting is disclosed according to the accounting policies and measurement standards adopted by each segment when reporting to the management, and these measurement bases are consistent with the accounting and measurement bases when preparing the financial statements.

(2) Financial information of reportable segments for the year

Item	Power generation and sales segment	Integrated energy services segment	Other segments	Inter-segment elimination	Total
Operating income	280,795,800.65	136,569,934.67	11,188,576.12	26,872,728.34	401,681,583.10
Operation cost	252,340,397.77	82,619,474.31	5,177,101.67	24,897,274.81	315,239,698.94
Total assets	2,345,011,725.27	565,477,071.92	1,050,506,602.95	1,647,244,586.69	2,313,750,813.45
Total liabilities	536,920,955.97	309,629,883.30	611,791,383.64	921,860,441.23	536,481,781.68

XVI. Notes on main items of parent company's financial statements

1. Account receivable

(1) Accounts receivable by aging

Category	Book balance at year-end	Book balance at the beginning of the year
Within 1 year (including 1 year)	42,375,469.95	26,641,173.11
Total	**42,375,469.95**	**26,641,173.11**

(2) Accounts receivable by bad debt provision method

Category	Balance at year-end				
	Balance of Book		Bad debt provisions		Book balance
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Account receivable that withdrawal bad debt provision by single item					
provision for bad debt based on credit risk portfolio	42,375,469.95	100.00			42,375,469.95
Total	**42,375,469.95**	**100.00**			**42,375,469.95**

(Continued)

Category	Amount as at the beginning of the year				
	Balance of Book		Bad debt provisions		Book balance
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Account					

receivable that withdrawal bad debt provision by single item					
provision for bad debt based on credit risk portfolio	26,641,173.11	100.00			26,641,173.11
Total	**26,641,173.11**	**100.00**			**26,641,173.11**

1) Provision for bad debts of accounts receivable by portfolio

Category	Balance at year-end		
	Balance of Book	Bad debt provisions	Provision percentage (%)
Portfolio 2: Receivables from power generation and sales	42,375,469.95		
Total	**42,375,469.95**		

(3) Top five accounts receivable and contract assets in terms of the ending balances by debtors

Unit name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Ratio to the total ending balance of accounts receivable and contract assets	Ending balance of bad debt provision for accounts receivable and contract assets
Shenzhen Power Supply Bureau Co., Ltd.	42,375,469.95		42,375,469.95	100.00	

Unit name	Ending balance of accounts receivable	Ending balance of contract assets	Ending balance of accounts receivable and contract assets	Ratio to the total ending balance of accounts receivable and contract assets	Ending balance of bad debt provision for accounts receivable and contract assets
Total	**42,375,469.95**		**42,375,469.95**	**100.00**	

2. Other receivables

Item	Balance at year-end	Amount as at the beginning of the year
Interest receivable		
Dividend receivable	22,500,000.00	
Other receivables	545,995,288.27	614,157,681.93
Total	**568,495,288.27**	**614,157,681.93**

2.1 Dividends receivable

(1) Dividends receivable by category

Project (or investees)	Balance at year-end	Amount as at the beginning of the year
Shenzhen Server Energy Co., Ltd.	22,500,000.00	
Total	**22,500,000.00**	

Note: The increase in dividends receivable during the period was mainly because the Company's subsidiary, Server Company, held its first shareholders' meeting of 2025 on December 23, 2025, at which the "Profit Distribution Plan for 2024 of Server Company" was reviewed and approved. The Company accordingly recognized dividends receivable from the subsidiary, leading to an increase in the balance of dividends receivable at the end of the period compared to the beginning of the period.

(2) There were no significant dividends receivable with an aging of over 1 year during the year

2.2 Other receivables

(1) Other receivables by nature

Payment nature	Book balance at year-end	Book balance at the beginning of the year
Transactions with related parties within the consolidation scope	543,701,490.46	611,645,846.09
Other receivables and temporary payments	14,992,669.25	15,170,475.09
Legacy payments	11,724,938.94	11,705,041.79
Security deposits and deposits	1,545,040.06	1,528,568.67
Receivables from employees	76,062.20	132,765.78
Total	**572,040,200.91**	**640,182,697.42**

(2) Other receivables by aging

Category	Book balance at year-end	Book balance at the beginning of the year
Within 1 year (including 1 year)	35,229,834.56	100,172,359.91
1-2 years	51,486,796.04	512,439,711.54
2-3 years	459,260,749.28	
Over 3 years	26,062,821.03	27,570,625.97
Total	**572,040,200.91**	**640,182,697.42**

(3) Other receivables by bad debt provision method

Category	Balance at year-end				
	Balance of Book		Bad debt provisions		Book balance
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Account receivable that withdrawal bad debt	26,044,912.64	4.55	26,044,912.64	100.00	

Category	Balance at year-end				
	Balance of Book		Bad debt provisions		Book balance
	Amount	Percentage (%)	Amount	Provision percentage (%)	
provision by single item					
Account receivable withdrawal bad debt provision by portfolio	545,995,288.27	95.45			545,995,288.27
Total	**572,040,200.91**	**100.00**	**26,044,912.64**	**4.55**	**545,995,288.27**

(Continued)

Category	Amount as at the beginning of the year				
	Balance of Book		Bad debt provisions		Book balance
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Account receivable that withdrawal bad debt provision by single item	26,025,015.49	4.07	26,025,015.49	100.00	
Account receivable withdrawal bad debt provision by portfolio	614,157,681.93	95.93			614,157,681.93
Total	**640,182,697.42**	**100.00**	**26,025,015.49**	**4.07**	**614,157,681.93**

1) Other receivables with bad debt provision made on an individual basis

Name	Amount as at the beginning of the year		Balance at year-end			
	Balance of Book	Bad debt provisions	Balance of Book	Bad debt provisions	Provision percentage (%)	Reasons for provision
Huiyang Kangtai Industrial Co., ltd	14,311,626.70	14,311,626.70	14,311,626.70	14,311,626.70	100.00	Historical legacy issue, expected to be unrecoverable
Receivables for employee benefit fund dividends and taxes	9,969,037.63	9,969,037.63	9,988,934.78	9,988,934.78	100.00	
Receivables for employee dormitory purchases	1,736,004.16	1,736,004.16	1,736,004.16	1,736,004.16	100.00	
Others	8,347.00	8,347.00	8,347.00	8,347.00	100.00	
Total	**26,025,015.49**	**26,025,015.49**	**26,044,912.64**	**26,044,912.64**	—	—

2) Other receivables with bad debt provision made by portfolio

Category	Balance at year-end		
	Balance of Book	Bad debt provisions	Provision percentage (%)
Portfolio IV: Transactions with related parties within the consolidation scope	543,701,490.46		
Portfolio V: Portfolio of security deposits, deposits, and petty cash	1,545,040.06		
Portfolio VII: Other receivables and temporary payments	748,757.75		

Category	Balance at year-end		
	Balance of Book	Bad debt provisions	Provision percentage (%)
Total	**545,995,288.27**		—

3) Bad debt provision for other receivables made under the general model for expected credit losses

Bad debt provisions	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit loss over life (no credit impairment)	Expected credit losses for the entire duration (credit impairment occurred)	
Balance as of January 1, 2025			26,025,015.49	26,025,015.49
Balance as of January 1, 2025 in the current year	—	—	—	—
——Transfer to stage II				
——Transfer to stage III				
-- Reversal to the II stage				
-- Reversal to the I stage				
Provision in Current Year			19,897.15	19,897.15
Reversal in Current Year				
Conversion in Current Year				
Write off in Current Year				
Other changes				
Balance as of			26,044,912.64	26,044,912.64

Bad debt provisions	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	**Expected credit loss over life (no credit impairment)**	**Expected credit losses for the entire duration (credit impairment occurred)**	
December 31, 2025				

(4) Bad debt provision for other receivables accrued, recovered, or reversed during the year

Category	Amount as at the beginning of the year	Change amount for the year				Balance at year-end
		Accrual	Recovery or reversal	Transfer or write off	Others	
Bad debt provision for other receivables - provision made on an individual basis	26,025,015.49	19,897.15				26,044,912.64
Total	**26,025,015.49**	**19,897.15**				**26,044,912.64**

(5) No other receivables were actually written off during the year

(6) Top five other receivables in terms of the ending balances by debtor

Unit name	Payment nature	Balance at year-end	Category	Proportion in the total year-end balance of other receivables (%)	Bad debt provisions Balance at year-end
Huiyang Kangtai Industrial Co., ltd	External unit transactions	14,311,626.70	Over 5 years	2.50	14,311,626.70
Receivables for employee benefit fund dividends and taxes	Receivables from employees	9,988,934.78	Over 5 years	1.75	9,988,934.78
Receivables from employees for housing purchases	Receivables from employees	1,736,004.16	Over 5 years	0.30	1,736,004.16
Shenzhen Overseas Chinese Town Co., Ltd. Asset Management Branch	External unit transactions	1,460,919.00	1-2 years	0.26	
Shenzhen Metro Group Co., Ltd.	External unit transactions	290,000.00	2-3 years	0.05	
Total	—	**27,787,484.64**	—	**4.86**	**26,036,565.64**

(7) Centralized fund management

Amount presented as other receivables due to centralized fund management	516,841,422.27
Notes	The Company implements centralized fund

Amount presented as other receivables due to centralized fund management	516,841,422.27
	management. The principal and interest receivable from subsidiaries amounted to RMB 516,841,422.27, and the principal and interest payable to subsidiaries amounted to RMB 218,076,130.14.

3. Long-term equity investments

Item	Balance at year-end		
	Balance of Book	**Withdrawn impairment provision**	**Book balance**
Investments in subsidiaries	1,068,895,126.58	445,002,245.26	623,892,881.32
Investments in associates and joint ventures	97,697,539.79		97,697,539.79
Total	**1,166,592,666.37**	**445,002,245.26**	**721,590,421.11**

(Continued)

Item	Amount as at the beginning of the year		
	Balance of Book	**Withdrawn impairment provision**	**Book balance**
Investments in subsidiaries	923,167,363.65	445,002,245.26	478,165,118.39
Investments in associates and joint ventures	90,587,521.44		90,587,521.44
Total	**1,013,754,885.09**	**445,002,245.26**	**568,752,639.83**

(1) Investments in subsidiaries

Investee Unit	Amount as at the beginning of the year (Book value)	Opening balance of impairment provision	Increase /decrease in reporting period				Balance at year-end (Book value)	Closing balance of impairment provision
			Add investment	Decreased investment	Withdrawal of impairment provision	Others		
Shenzhen Nanshan Power Environmental Protection Co., Ltd.	49,639,016.04	20,552,688.77					49,639,016.04	20,552,688.77
Shenzhen Server Energy Co., Ltd.	26,650,000.00						26,650,000.00	
Shenzhen Nanshan Power Gas Turbine Engineering Technology Co., Ltd.	24,460,360.00		70,000,000.00				94,460,360.00	
Shenzhen Nanshan Power (Zhongshan) Co., Ltd.	1.00	410,740,000.00					1.00	410,740,000.00
Shennan Energy (Singapore) Co.,	6,703,800.00						6,703,800.00	

Investee Unit	Amount as at the beginning of the year (Book value)	Opening balance of impairment provision	Increase /decrease in reporting period				Balance at year-end (Book value)	Closing balance of impairment provision
			Add investment	Decreased investment	Withdrawal of impairment provision	Others		
Ltd.								
Zhuhai Hengqin Zhuozhi Investment Partnership (Limited Partnership)	1,427,522.09			1,427,522.09				
Shenzhen Nanshan Power Energy Technology (Sichuan) Co., Ltd.			16,540,285.02				16,540,285.02	
Shenzhen New Power Industrial Co., Ltd.	369,284,419.26	13,709,556.49	60,615,000.00				429,899,419.26	13,709,556.49
Total	**478,165,118.39**	**445,002,245.26**	**147,155,285.02**	**1,427,522.09**			**623,892,881.32**	**445,002,245.26**

(2) Investments in associates and joint ventures

Name	Opening balance (Book value)	Opening balance of impairment provision	Increase /decrease in reporting period			
			Add investment	Decreased investment	Equity method affirmative profit and loss on investments	Adjustment of other comprehensive income
Affiliated Company						
Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.	90,587,521.44				7,919,718.35	
Total	**90,587,521.44**				**7,919,718.35**	

(Continued)

Name	Increase /decrease in reporting period				Closing balance (book value)	Closing balance of impairment provision
	Other equity changes	Cash dividends or profits declared to be paid	Withdrawal of impairment provision	Others		
Affiliated Company						
Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.		809,700.00			97,697,539.79	
Total		**809,700.00**			**97,697,539.79**	

4. Operating revenue and operating costs

(1) Operating revenue and operating costs

Item	Amount		Amount incurred in the previous year	
	Business income	Business cost	Business income	Business cost
Income from Main Business	279,495,457.00	252,124,628.83	322,454,274.03	339,266,651.44
Other business	1,300,343.65	215,768.94	57,022,453.48	3,607,161.70
Total	**280,795,800.65**	**252,340,397.77**	**379,476,727.51**	**342,873,813.14**

(2) Breakdown of operating revenue and operating costs

Item	The current period		Amount in previous period	
	Business income	Business cost	Business income	Business cost
Power generation and sales	279,495,457.00	252,124,628.83	379,072,551.36	342,872,787.50
Others	1,300,343.65	215,768.94	404,176.15	1,025.64
Total	**280,795,800.65**	**252,340,397.77**	**379,476,727.51**	**342,873,813.14**

(3) Breakdown by region

Item	The current period		Amount in previous period	
	Business income	Business cost	Business income	Business cost
Domestic	280,795,800.65	252,340,397.77	379,476,727.51	342,873,813.14
Total	**280,795,800.65**	**252,340,397.77**	**379,476,727.51**	**342,873,813.14**

(4) Revenue from contracts

Item	The current period	Amount in previous period
	Business income	Business income
Classified by contract performance obligation		
Including: Revenue recognized at a point in time	280,240,067.29	379,476,727.51
Revenue recognized over time	555,733.36	
Total	**280,795,800.65**	**379,476,727.51**

5. Investment income

Item	Amount	Amount incurred in the previous year
Income from long-term equity investment measured by adopting the cost method	22,500,000.00	
Income from long-term equity investment measured by adopting the equity method	7,919,718.35	6,563,378.70
Investment income from disposal of long-term equity investments	-341,741.25	
Investment income of trading financial assets during the holding period	10,600,665.22	11,286,239.10
Dividend income earned during investment holdings in other equity instruments		17,474,329.61
Total	**40,678,642.32**	**35,323,947.41**

XVII. Supplementary information to the financial statements

1. Details of non-recurring gains and losses for the current year

Item	Year 2025	Description
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	284,413,055.16	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	8,477,550.00	
Profit or loss from changes in fair value of financial assets and liabilities held by non-financial enterprises and profit or loss from the disposal of financial assets and financial liabilities, except for effective hedging operations related to the Company's normal business operations	10,600,665.22	
Fund possession costs included in the current profit or loss and collected from non-financial enterprises		
Gains and losses from entrusting others to invest in or manage assets		
Gains and losses from external entrusted loans		
Asset losses arising from force majeure factors, such as natural disasters		
Reversal of the account receivable depreciation reserves subject to		

Item	Year 2025	Description
separate impairment test		
Income from the cost of investments in acquiring subsidiaries, associates, and joint ventures being less than the fair value of the identifiable net assets of the investee at the time of acquisition	579,165.68	
Current net profit or loss of the subsidiaries from business combination under common control from the beginning of the period to the combination date		
Gains and losses from the exchange of non-monetary assets		
Profit or loss from debt restructuring		
One-off expenses incurred because the relevant business activities of the enterprise are no longer continued, such as expenditures for employee resettlement		
One-off impact on profit or loss for the current period due to adjustments in laws and regulations such as taxation and accounting		
Share-based payment expenses recognized on a one-off basis due to the cancellation or modification of equity incentive plans		
For cash-settled share-based payments, gains and losses arising from changes in the fair value of employee benefits payable after the vesting date		
Gains and losses arising from changes in the fair value of investment properties subsequently measured using the fair value model		
Gains from transactions with obviously unfair transaction prices		
Profit or loss on contingencies irrelevant to normal business operation of the Company		
Trustee fee income from entrusted operations		
Other non-operating income and expenditures other than the above	-1,738,091.28	
Other non-recurring Gains/loss items		
Subtotal	302,332,344.78	
Less: Influenced amount of income tax	649,258.60	
Influenced amount of minor shareholders' equity (after tax)	59,750,136.29	
Total	**241,932,949.89**	—

2. Return on net assets and earnings per share

Profit of report period	Weighted average Return on net assets (%)	Earnings per share (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the parent company	10.28%	0.2672	0.2672
Net profit attributable to ordinary shareholders of the parent company after deducting non-recurring gains and losses	-5.17%	-0.1342	-0.1342

Shenzhen Nanshan Power Co., Ltd.

April 13, 2026