

四川能投發展股份有限公司

Sichuan Energy Investment Development Co., Ltd.

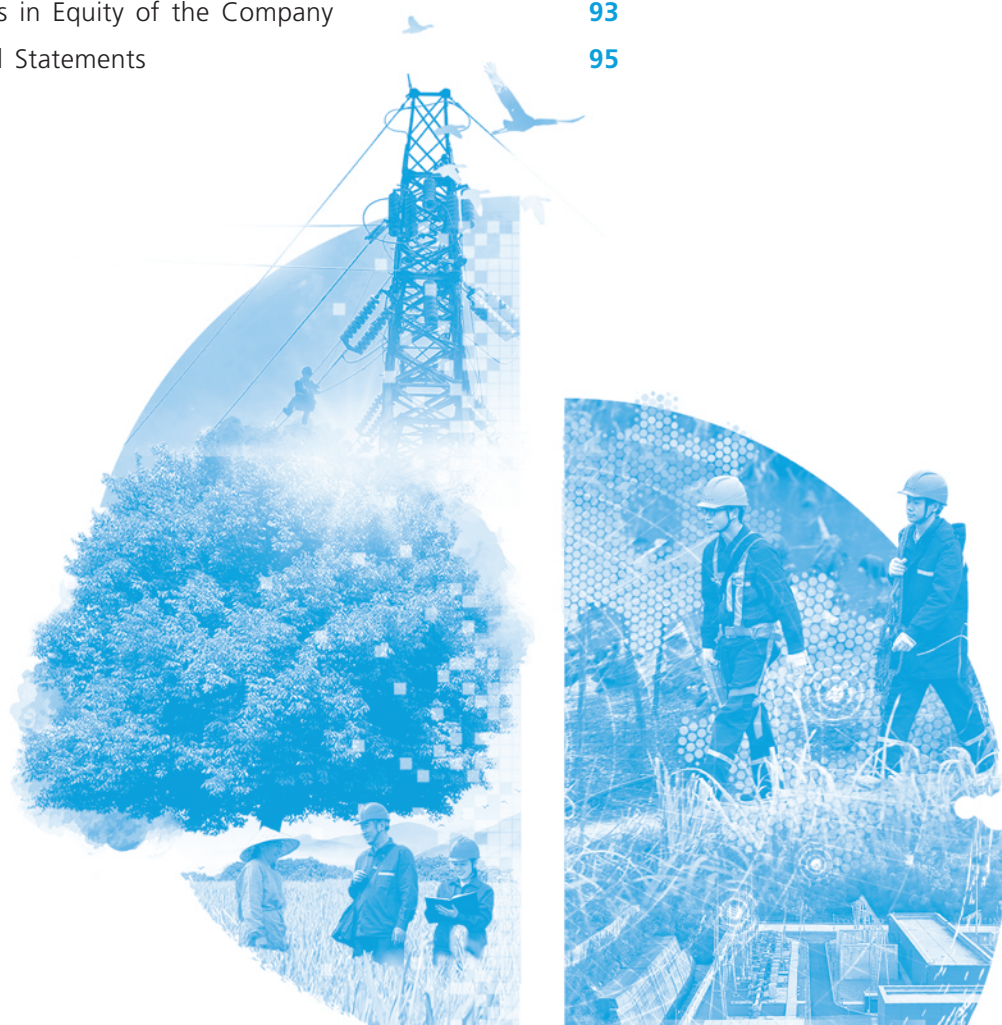
(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 1713



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Definitions

During the year, the following expressions shall have the following meanings unless the context requires otherwise.

“15th Five-year Period”	the 15th five-year period for the PRC national economic and social development, being year 2026 to 2030
“AGM”	the annual general meeting to be convened by the Company on 16 June 2026
“Articles of Association” or “Articles”	the articles of association of the Company adopted by the written resolution of the Shareholders on 16 May 2017 and as amended, supplemented and otherwise modified from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this report, Hong Kong, Macau and Taiwan
“China Accounting Standards for Business Enterprises” or “CASBE”	the accounting standards for business enterprises issued by the Ministry of Finance of the PRC
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company” or “Sichuan Energy Investment Development”	Sichuan Energy Investment Development Co., Ltd.* (四川能投發展股份有限公司) (stock code:1713), a company established in the PRC as a joint stock company with limited liability on 29 September 2011
“Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	code on corporate governance practices contained in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic ordinary shares in the Company’s registered capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and held by PRC nationals or PRC-incorporated entities, and are not listed or traded on any stock exchange
“EECS business”	electrical engineering construction service and related business, which includes the construction, installation, testing and maintenance of power facilities and related sales of electric equipment and materials

Definitions

“Energy Investment Group”	Sichuan Province Energy Investment Group Co., Ltd.* (四川省能源投資集團有限責任公司), a limited liability company established in the PRC and one of the controlling shareholders of the Company prior to the Restructuring. For further details, please refer to the announcements of the Company dated 29 November 2024, 30 December 2024, 14 January 2025 and 27 February 2025
“ESG”	environmental, social and governance
“EPC”	engineering, procurement and construction
“Group”	the Company and its subsidiaries
“H Share(s)”	the issued ordinary share(s) of RMB1.00 each in the share capital of the Company, which are listed on the Main Board of the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hydropower Group”	Sichuan Province Hydropower Investment and Management Group Co., Ltd.* (四川省水電投資經營集團有限公司), a company established in China on 17 December 2004 with limited liability, one of the controlling shareholders of the Company
“Listing”	listing of the H Shares of the Company on the Main Board of the Stock Exchange
“Listing Date”	28 December 2018, the date on which the H Shares of the Company were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
“Nomination Committee”	the nomination committee of the Company
“Prospectus”	the prospectus dated 13 December 2018 in relation to the initial public offering of H Shares
“Remuneration and Evaluation Committee”	the remuneration and evaluation committee of the Company
“Reporting Period”	the period from 1 January 2025 to 31 December 2025
“Restructuring”	the strategic restructuring by the then controlling shareholders of the Company. For details, please refer to the announcements of the Company dated 29 November 2024, 30 December 2024, 14 January 2025 and 27 February 2025
“Risk Control Committee”	the risk control committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC



Definitions

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) of RMB1.00 each in the share capital of the Company, including H Shares and Domestic Shares
“Shareholder(s)”	the shareholder(s) of the Company
“Sichuan Energy Development Group”	Sichuan Energy Development Group Co., Ltd.* (四川能源發展集團有限責任公司), a limited liability company established in the PRC on 25 February 2025, which became one of the controlling shareholders of the Company on 27 February 2025. Please refer to the announcements of the Company dated 29 November 2024, 30 December 2024, 14 January 2025 and 27 February 2025 for more details in relation to the Restructuring
“Sichuan Development”	Sichuan Development (Holding) Co., Ltd.* (四川發展(控股)有限責任公司), a wholly state-owned company established on 24 December 2008 under the laws of the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in Section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the former supervisor(s) of the Company
“Supervisory Committee”	the former supervisory committee of the Company
“%”	per cent.



Chairman's Statement

The year 2025 marked the conclusion of the 14th Five-Year Plan and was a pivotal year for the Company to systematically implement the “Dual Carbon” strategy and deepen the construction of a new energy system. Confronted with multiple challenges, including profound transformations in the energy supply-demand landscape and the ongoing deepening of electricity marketization reform, the Board of the Company led the management and all employees in adhering to the general principle of seeking progress while maintaining stability. By focusing on “consolidating foundations through lean management, empowering development with capital operations, and enhancing service quality and efficiency”, the Company achieved synergistic progress in development quality, governance efficacy and social value.

Throughout the year, we maintained strategic focus and exerted full efforts to bolster the economy and ensure stable growth. The Company achieved operating revenue of RMB4.968 billion, a profit of RMB345 million, and distributed cash dividends totaling RMB150 million.

Throughout the year, we remained dedicated to our core business, strengthening our foundation and expanding our industrial portfolio. We completed 9 power grid projects and initiated 19 integrated energy projects. The province's first low-carbon power grid featuring direct connection, direct supply, and full-process traceability was successfully connected and commissioned. The Company ranked 28th in the 2025 China Energy Listed Companies Sustainability (ESG) Evaluation, a significant leap of 97 places from 2024.

Throughout the year, we persisted in innovation-driven development, advancing reforms and fostering innovation. We fully accomplished 10 major reform tasks encompassing 49 specific measures, organized and implemented 16 R&D projects, and took the lead in publishing the country's first “Zero-Carbon Smart Substation Evaluation Standard”. The Company was successfully recognized as an “AAA” credit-rated enterprise.

Throughout the year, we consistently fulfilled our social responsibilities, ensuring safety and benefiting public welfare. Despite a severe test with the power supply load increasing by 11.65% year-on-year, no load curtailment or voltage reduction measures were implemented. The Company successfully responded to emergencies, including the “February 8” Junlian geological disaster and the “July 9” rainstorm disaster. Our concrete practices in safeguarding people's livelihoods, ensuring safety, and guaranteeing supply have earned widespread recognition from all sectors of society.

The significant achievements in 2025 brought a successful conclusion to the 14th Five-Year Plan. Looking back over the five years of the 14th Five-Year Plan period, we consistently remained anchored to our goals and maintained firm confidence. We exerted unprecedented hard work, confronted unprecedented severe challenges, and wrote a remarkable chapter characterized by the fastest development pace, the highest development quality, and the most substantial development outcomes in the Company's history. During the 14th Five-Year Plan period, the Company cumulatively achieved operating revenue of RMB20.389 billion, an increase of 83.16%; total profit of RMB1.903 billion, an increase of 82.27%; net profit of RMB1.604 billion, an increase of 81.02%; and net profit attributable to the parent of RMB1.596 billion, an increase of 80.67%. Cumulative tax payments reached RMB1.078 billion, with an average annual growth rate of 5.63%. A regional active power grid, supported by 220 kV lines, structured by 110 kV lines, extended by 35 kV lines, and covered by 10 kV lines, has taken shape, featuring interconnectivity, resource sharing, and coordinated development. This has laid a solid foundation for the development during the 15th Five-Year Plan period.



Chairman's Statement

The year 2026 marks the inaugural year of the 15th Five-Year Plan, a year full of hope and opportunities. Standing at this new historical juncture and under the strong leadership of Sichuan Energy Development Group, we will adhere to the principle of main-supplementary business synergy. We will formulate and implement the 15th Five-Year Development Plan with high quality, driving the upgrade and transformation of our core power grid business, fostering the robust growth of green energy industries, and enhancing the quality and efficiency of capital operations. We are committed to building a top-tier regional modern integrated energy services enterprise. We will deepen reforms and innovation, focusing on the Company's difficulties and bottlenecks. We will further improve the scientific decision-making mechanism, streamline the corporate governance structure, and strengthen risk prevention, control, and resolution, thereby tangibly enhancing management efficiency and governance standards. We will continue to deepen ESG practices, actively fulfill social responsibilities, strengthen environmental protection, and improve the governance structure. We aim to drive continuous improvement in performance and market capitalization through sound corporate fundamentals, ensuring the Company achieves green, low-carbon, and sustainable development.

Dear shareholders, a listed company is not merely an economic organization but also a community of responsibility entrusted with the trust of multiple stakeholders. We are deeply aware that behind every unit of profit lies the trust and expectations of our shareholders; every innovative breakthrough stems from the relentless dedication of our employees; and every extension of the power grid connects to the daily needs and aspirations of countless households. Facing the future, we will proceed with greater conviction and more pragmatic actions to ensure the organic unity of long-term returns for shareholders, career development for employees, and social well-being.

Finally, on behalf of the Board, I extend my heartfelt gratitude and best wishes to our Shareholders, all employees and their families, and to all our partners and friends from various sectors who have long supported the Company in its endeavors!

Chairman

Chengdu, 30 March 2026

Company Profile

As at the date of this report

1. CORPORATE INFORMATION

Chinese Name:

四川能投發展股份有限公司

English Name:

Sichuan Energy Investment Development Co., Ltd.*

Registered Address:

No. 789, Renhe Road
Wenjiang District, Chengdu
Sichuan Province, the PRC

Headquarters/Principal Place of Business in the PRC:

No. 789, Renhe Road
Wenjiang District, Chengdu
Sichuan Province, the PRC

Principal Place of Business in Hong Kong:

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

Company Website:

<http://www.scntgf.com>

Tel:

+86 (28) 86299666

Fax:

+86 (28) 86299666

E-mail:

db@scntgf.com

2. STOCK PROFILE OF THE COMPANY

Classes of Shares:

H Shares and Domestic Shares

Stock Exchange of H Shares:

Main Board of The Stock Exchange of Hong Kong Limited

Stock Abbreviation of H Shares:

SICHUAN EN INV

Stock Code of H Shares:

1713

3. EXECUTIVE DIRECTORS

Mr. He Jing (*Chairman*)

Mr. Wang Yuanchun

Ms. Xie Peixi

4. NON-EXECUTIVE DIRECTORS

Mr. Yao Gengsheng

Ms. Xie Beidi

Mr. Xia Long

Mr. Gao Bin

Mr. Chen Yan

5. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Siu Chi Hung

Mr. Chen Chuan

Mr. Mou Yingshi

Prof. Li Jian

Ms. He Yin

6. SUPERVISORS (All supervisors have retired as the Company has abolished the Supervisory Committee on 6 November 2025)

Ms. Deng Ruipu (*Chairlady*)

Ms. Fu Ruoxue

Mr. Su Lijiang

Ms. Tian Wenwei

Ms. Wang Meng

Ms. Sun Hui

7. AUTHORIZED REPRESENTATIVES

Mr. He Jing

Mr. Wang Yuanchun

8. AUDIT COMMITTEE

Mr. Siu Chi Hung (*Chairman*)

Ms. Xie Beidi

Prof. Li Jian

9. REMUNERATION AND EVALUATION COMMITTEE

Mr. Chen Chuan (*Chairman*)

Mr. Gao Bin

Mr. Mou Yingshi

* For identification purposes only

Company Profile

As at the date of this report

10. NOMINATION COMMITTEE

Mr. He Jing (*Chairman*)
Ms. He Yin
Mr. Mou Yingshi

11. RISK CONTROL COMMITTEE

Prof. Li Jian (*Chairman*)
Mr. Yao Gengsheng
Mr. Siu Chi Hung

12. JOINT COMPANY SECRETARIES

Ms. Li Jia
Ms. Wong Wai Ling
(resigned on 10 March 2026)
Ms. Lam Wai Yee Sophie
(appointed on 10 March 2026)

13. H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Center
16 Harcourt Road
Hong Kong

14. AUDITOR

KPMG Huazhen LLP
8th floor, KPMG building, Oriental Plaza
No. 1, East Chang'an Street, Beijing
PRC

15. LEGAL ADVISORS

As to Hong Kong law:

Jingtian & Gongcheng LLP
Suites 3203–3209, 32/F
Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

As to PRC law:

Beijing Zhong Yin (Chengdu) Law Firm
15/F, Block B, OCG International Center
No. 158 Tianfu 4th Avenue
Chengdu Hi-tech Industrial Development Zone
Sichuan Province, the PRC

16. PRINCIPAL BANKS

Bank of Communications Co., Ltd., Chengdu
Branch, Wenjiang Sub-branch
(交通銀行股份有限公司成都溫江支行)
Agricultural Bank of China Limited, Chengdu
Branch, Jincheng Sub-branch
(中國農業銀行股份有限公司成都錦城支行)
China Merchants Bank Co., Ltd, Chengdu Branch,
Yizhou Avenue Sub-branch
(招商銀行股份有限公司成都益州大道支行)
Industrial and Commercial Bank of China Limited,
Chengdu Branch, Hi-tech Industry Development
Zone Sub-branch
(中國工商銀行股份有限公司成都高新支行)
Bank of China Limited, Chengdu Branch,
Development Zone West Sub-branch
(中國銀行股份有限公司成都開發西區支行)

Financial Highlights

Summary of consolidated statement of profit or loss	Year ended 31 December				
	2025 (RMB'000)	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)	2021 (RMB'000)
Revenue	4,968,130	4,775,572	4,160,193	3,313,256	3,171,674
Total profit	344,518	466,750	409,190	361,546	321,195
Income tax expense	56,786	65,502	67,190	58,997	50,278
Net profit	287,732	401,248	342,000	302,549	270,917
Attributable to:					
Equity Shareholders of the Company	286,254	400,025	339,000	301,442	269,558
Non-controlling interests	1,478	1,223	3,000	1,107	1,359
Basic earnings per Share (RMB)	0.27	0.37	0.32	0.28	0.25

Summary of consolidated statement of profit or loss	As at 31 December				
	2025 (RMB'000)	2024 (RMB'000)	2023 (RMB'000)	2022 (RMB'000)	2021 (RMB'000)
Total non-current assets	6,064,797	5,357,495	4,761,837	3,775,182	3,461,642
Total current assets	1,573,675	2,004,055	1,562,998	1,372,829	1,169,811
Total assets	7,638,473	7,361,550	6,324,835	5,148,011	4,631,453
Total current liabilities	2,276,792	2,225,968	1,907,038	1,511,576	1,432,774
Total non-current liabilities	1,532,622	1,450,466	1,013,960	451,217	202,780
Total liabilities	3,809,415	3,676,434	2,920,998	1,962,793	1,635,554
Net assets	3,829,058	3,685,116	3,403,837	3,185,218	2,995,899
Including:					
Equity attributable to equity Shareholders of the Company	3,757,062	3,614,620	3,355,294	3,147,366	2,979,660
Equity attributable to non-controlling interests	71,996	70,496	48,543	37,852	16,239



Management Discussion and Analysis

1. INDUSTRY OVERVIEW

The value chain of China's power industry consists of power generation, power transmission and distribution as well as power sales. Power generation process converts other types of energy into power, such as hydropower plants using flowing water energy to generate power. The grid transmission and distribution system is the core of power supply, which includes power transmission network that reaches various provinces and cities in China, distribution network for end-use purposes, as well as step-up and step-down substations. Lastly, power sales activities distribute power directly to end users.

In 2025, total power consumption in China reached 10.3682 trillion kWh, representing a year-on-year increase of 5.0%. In particular, power consumption in the primary sector reached 149.4 billion kWh, representing a year-on-year increase of 9.9%; power consumption in the secondary sector reached 6.6366 trillion kWh, representing a year-on-year increase of 3.7%; power consumption in the tertiary sector reached 1,994.2 billion kWh, representing a year-on-year increase of 8.2%; urban and rural household consumption reached 1,588 billion kWh, a year-on-year growth of 6.3%. Benefiting from rapid economic development, the Yibin region saw its total power consumption reach 27.8 billion kWh this year, representing a year-on-year increase of 24.4%.

In the 15th Five-Year Plan, Sichuan Province supports Mianyang, Yibin — Luzhou, and Nanchong — Dazhou in actively taking on major productivity layouts and in building regional medical centers, education centers, and specialized innovation hubs. Yibin City insists on focusing economic development on the real economy, promoting intelligent, green, and integrated industrial development. We believe that the Company will have greater development opportunities in areas such as electricity sales, distributed energy, engineering construction, and comprehensive energy services.

2. BUSINESS OVERVIEW

2.1 Overview

The Group is a vertically integrated power supplier and service provider in Yibin City, Sichuan Province, with a full power supply value chain covering power generation, electricity distribution and sales. We have a stable user base and a comprehensive network of power supply in Yibin City, which allows us to optimize the balance usage of power resources within our power supply network through efficient allocation of electricity. Our businesses currently consist of (i) power business, including production, distribution and sales of power, which is divided into general power supply business and incremental power transmission and distribution business; and (ii) EECS business, which consists of electrical engineering construction service and sales of electric equipment and materials.

In 2025, the Company realized operating revenue of approximately RMB4,968.1 million, representing a year-on-year increase of approximately 4.0%. Our total profit was approximately RMB344.5 million, representing a year-on-year decrease of approximately 26.2%. In the same year, the Company achieved net profit of approximately RMB287.7 million, representing a year-on-year decrease of approximately 28.3%, and net profit attributable to equity shareholders of the parent company of approximately RMB286.3 million, representing a year-on-year decrease of approximately 28.4%.

The decrease in the net profit of the Company in 2025 is mainly attributable to the following factors: (i) Sichuan Provincial Development and Reform Commission formulated and issued the *Notice on Further Clarifying Matters Relating to Inter-network Settlement of Power Grid Enterprises in Sichuan Province* (Chuan Fa Gai Jia Ge [2025] No. 285) (《關於進一步明確四川省電網企業網間結算有關事項的通知》(川發改價格[2025] 285號)) on 27 June 2025, based on relevant documents of the National Development and Reform Commission and relevant documents of Sichuan Province. The Company is required to settle time-of-use profits and losses, system operation fees and preliminary settlement deviation electricity charges with State Grid Sichuan Electric Power Company, leading to a decrease in profit; (ii) Sichuan Provincial Development and Reform Commission issued the *Notice on Matters Relating to the Implementation of Off-Peak Electricity Tariff Policy for Residential Consumption in Local Power Grids* (Chuan Fa Gai Jia Ge [2025] No. 369) (《關於地方電網居民生活用電執行低谷電價政策有關事項的通知》(川發改價格[2025]369號)) (the “**Off-Peak Tariff Notice**”) on 31 July 2025. Pursuant to the requirements of the Off-Peak Tariff Notice, the “one-meter-one-household” residential customers within the Company’s supply area are required to implement the off-peak electricity tariff policy, with the specific provisions as follows: the off-peak period is from 23: 00 to 07: 00 the next day; the off-peak electricity tariff during the rainy season shall be implemented at RMB0.175 per kWh, and the off-peak electricity tariff during the dry and normal seasons shall be implemented at RMB0.2535 per kWh; the electricity consumption during off-peak periods shall be included in the calculation of tiered electricity consumption, and the tiered electricity consumption and tiered surcharges shall be implemented in accordance with the Company’s current standards. Such tariff is lower than the previously implemented tariff level, leading to a decrease in profit; and (iii) pursuant to the Agreement on Rural Power Grid Asset Usage Fees in respect of Excluded Rural Power Grid Projects entered into between the Company and Hydropower Group under the new profit model and pursuant to the new policy on reforming electricity pricing models set out in the *Notice on Further Clarifying Matters Related to Electricity Purchasing by Local Grids* (Chuan Fa Gai Jia Ge [2022] No. 90) (《關於進一步明確地方電網代理購電有關事項的通知》(川發改價格[2022]90號)) issued by the Sichuan Provincial Development and Reform Commission, the Company’s profit model shifted from the original buy-sell margin model to a transmission and distribution tariff model. Under this model, the Company’s revenue is tied to the depreciation and related costs of rural power grid assets of the Excluded Rural Power Grid Projects. In this regard, the Company and Hydropower Group have formulated a new revenue-sharing model, under which the Company will pay usage fees to Hydropower Group for utilizing the relevant rural power grid assets, calculated based on a reasonable proportion of the revenue derived from the Company’s power supply business (for further details, please refer to the Company’s announcement dated 18 March 2025).

As of the end of 2025, we had and operated an aggregate of 6 hydropower plants with a total installed capacity of 127,030 kW. We also had 3 units of 220 kV substations with an aggregated capacity of 1,080,000 kVA, 28 units of 110 kV substations with an aggregated capacity of 1,992,000 kVA, and 59 units of 35 kV substations with an aggregated capacity of 637,200 kVA.

Management Discussion and Analysis

2.2 Operating Results

The following table sets forth the breakdown of the revenue, cost and gross profit of the principal business by segment for the years ended 31 December 2024 and 2025, and the percentage of changes.

Principal business	Year ended 31 December 2025			Year ended 31 December 2024			Percentage of changes		
	Revenue (RMB)	Cost (RMB)	Gross profit (RMB)	Revenue (RMB)	Cost (RMB)	Gross profit (RMB)	Revenue (%)	Cost (%)	Gross profit (%)
General power supply business	4,193,737,100.30	3,619,155,508.18	574,581,592.12	3,985,130,833.19	3,287,161,029.81	697,969,803.38	5.2	10.1	(-17.7)
Incremental power transmission and distribution business	328,598,554.84	307,773,690.62	20,824,864.22	354,199,417.23	333,997,199.83	20,202,217.40	(7.2)	(7.9)	3.1
EECS business ⁽¹⁾	426,895,835.53	368,400,488.16	58,495,347.37	416,032,519.95	349,382,750.04	66,649,769.91	2.6	5.4	(12.2)
Total	4,949,231,490.67	4,295,329,686.96	653,901,803.71	4,755,362,770.37	3,970,540,979.68	784,821,790.69	4.1	8.2	(16.7)

Note:

- (1) Includes revenue from the sales of electric equipment and materials of approximately RMB16.5 million for the year ended 31 December 2025.

2.2.1 General Power Supply Business

The following table sets forth the breakdown of revenue from our general power supply business by customer categories for the periods indicated.

Customer	2025		Year ended 31 December 2024		Percentage of changes	
	Electricity Sales (MWh)	Revenue (RMB)	Electricity Sales (MWh)	Revenue (RMB)	Electricity Sales (%)	Revenue (%)
Household	1,894,338	975,375,596.59	1,860,170	965,509,606.37	1.8	1.0
General industrial and commercial	1,328,358	655,606,810.68	1,316,733	669,397,000.10	0.9	(2.1)
Large industrial	5,351,887	2,484,977,443.00	4,604,221	2,285,108,232.34	16.2	8.7
State Grid	63,013	12,828,946.87	24,842	4,867,142.17	153.7	163.6
Others	199,511	64,948,303.16	180,367	60,248,852.21	10.6	7.8
Total	8,837,107	4,193,737,100.30	7,986,333	3,985,130,833.19	10.7	5.2

Most of our revenue for the year ended 31 December 2025 was derived from general power supply business, including generation, distribution and sales of power. We generated revenue of approximately RMB4,193.7 million from our general power supply business, which accounted for approximately 84.7% of revenue from principal business.

2.2.2 Incremental Power Transmission and Distribution Business

Our revenue from incremental power transmission and distribution business mainly consists of electricity retail business outside our normal power supply service area and other power distribution business related to new-energy vehicles. By implementing measures to diversify the industry chain, we generated revenue of approximately RMB328.6 million from incremental power transmission and distribution business for the year ended 31 December 2025, which accounted for approximately 6.6% of revenue from principal business.

2.2.3 EECS Business

We also derived revenue from our EECS business, which mainly involves undertaking the engineering construction projects for, and selling electric equipment and materials to, the users and grid companies in our power supply area. For the year ended 31 December 2025, we generated revenue of approximately RMB426.9 million from our EECS business, which accounted for approximately 8.6% of revenue from principal business.

2.3 Major Operational Measures

Firstly, we have advanced reforms in depth, accelerating the release of development momentum. Building upon our “Tianfu Comprehensive Reform” excellent accreditation as a new starting point, we have fully accomplished 10 major reform tasks and 49 specific measures, earning recognition as an AAA-rated credit enterprise. We have fully implemented term-based appointments and contractual management for members of the management team, routinely advancing competitive hiring for management positions, performance-based adjustments for underperformers, and exit mechanisms for those deemed unqualified. This enables differentiated compensation payouts, ensuring that those who endure hardships are duly recognised, excellence is prioritised, and the capable are placed in suitable positions. We have remained committed to innovation-driven development, promoted the implementation of 16 scientific research projects, and filed applications for 24 patents. We took the lead in releasing the country's first “Zero-Carbon Smart Substation Evaluation Standard”, filling the gap in dual evaluation standards that integrate “carbon emission monitoring + AI-powered operation and maintenance”. We also participated in the formulation of two inaugural industry group standards, injecting new momentum of standards-based guidance into the high-quality development of the industry.

Secondly, we have optimised the industrial layout to enhance the quality and accelerate the growth of both traditional and emerging drivers of economic momentum. We continued to strengthen our main business by completing a number of key power grid projects, including Daqiao to Yongkang line, Gaolin substation in Xuzhou District, and Tangba substation in Gong County. The Yibin Nanwan 110kV transmission and transformation project was awarded the “National Engineering Quality Gold Award”. We have thoroughly implemented the distribution network enhancement initiative, addressing a cumulative total of 597 low-voltage distribution areas, and steadily improved power supply reliability compared to the end of the 13th Five-Year Plan period. We have accelerated the cultivation of emerging industries, solidly promoted 14 green energy projects, and completed the construction of 7 charging stations (with 28 charging piles), 3 distributed photovoltaic projects and 2 energy storage projects (with an installed capacity of 1,075kW/2,257kWh). We have pursued comprehensive openness and cooperation, engaged in industry-university-research collaboration with Shandong University and Chengdu M&S Electronics Technology Co., Ltd. (成都盟升電子技術股份有限公司), among others, and successfully facilitated the implementation of pilot projects such as the commercial application of V2G technology.



Management Discussion and Analysis

Thirdly, we have strengthened corporate governance and refined systems and mechanisms. We have continuously optimised modern corporate governance mechanisms, revised and improved core systems such as the articles of association, achieved 100% risk assessment coverage for all investment projects, and the Company was selected as one of the “2025 China Energy Listed Companies Sustainable Development (ESG) Top 30”. Talent development has continuously improved, with 82 key talents recruited throughout the year and 9,250 training sessions organised, further optimising the team structure. The financial management model has been innovatively upgraded, relying on the bill pool, supply chain white slip, and unified clearing platform to achieve both service enhancement and cost control, and the Company was awarded an A-level tax credit rating by Wenjiang District.

Fourthly, we have improved service levels and significantly optimised the business environment. During the peak summer period of 2025, the electricity load in the Company’s service area reached a new high. Facing the severe test of an 11.65% year-on-year increase in power supply load, we consistently adhered to the principles of “ensuring people’s livelihood, ensuring safety, and ensuring supply.” We guaranteed safe, stable, and reliable power delivery, with no instances of load limitation occurring. Meanwhile, we continued to optimise the electricity connection process, expanded the “three-zero” service targets, improved the quality and efficiency of the “three-simplified” services, reduced the connection time for high-voltage users to 3 working days, setting the fastest record within the province, and helping Yibin City achieve an “excellent” rating in its business environment evaluation for the first time. We have accelerated the digital transformation of our services and comprehensively promoted the electronic invoice system, enabling 24-hour automated issuance, delivery, and verification. This has significantly reduced the operational burden at the grassroots level, while steadily improving customer satisfaction and the level of “accessing electricity”.

Fifthly, we have strengthened our security defenses, making our foundation more solid. We strictly adhered to the safety production red line, continuously deepened the three-year action of addressing root causes and consolidating foundations, meticulously managed the safe operation of power grids, rigorously enforced safety control during construction and maintenance, revised and improved emergency plans and material management systems, conducted training for over 3,000 person-times, identified and rectified 2,998 potential hazards, successfully responded to the “8 February” geological disaster in Junlian and the “9 July” rainstorm disaster, with no general or above safety responsibility accidents occurred throughout the year. The piece “Battlefield of Minutes and Seconds (《分秒戰場》)”, created against the backdrop of emergency power restoration in Junlian, was awarded second prize in the Sichuan Provincial Rescue Excellence Showcase Competition. It vividly illustrates the responsibility and commitment of the personnel of Energy and Power Enterprises “race against every minute and second, and fulfill the mission with certainty,” as well as their steadfast conviction to “guard the light and serve the people.”

Sixthly, by upholding Party leadership, we have strengthened our developmental foundations. We continued to thoroughly study and implement the guiding principles of the 20th National Congress of the Communist Party of China and each plenary session thereof. We promoted the in-depth integration of Party building with production and operation, and link the assessment results of Party building and ideology-related work with business performance assessment. The research project titled *The Practice and Exploration of Ideological and Political Empowerment for Development in Energy and Power Enterprises under the 01713 “Energy” System* (《01713能「亮」體系下的能源電力企業思政賦能發展實踐探索》) compiled by us was recognized as an outstanding corporate culture case among provincial state-owned enterprises in Sichuan Province. The produced video *Party Building Guides the Way to a Zero-Carbon Dream: Sichuan Energy Investment Development’s 100-Day Crucial Campaign Report* (《黨建領航零碳築夢—四川能投發展的百日攻堅答卷》) was awarded second prize in the Group’s Party Committee “Three Micro” Series Micro-Party Lesson Competition. A study video featuring young Party members was showcased on the Party building platform of the Provincial Party Committee’s Organisation Department, fostering a positive atmosphere for promoting the Company’s high-quality development.

3. FINANCIAL REVIEW

Analysis of Key Items in the Consolidated Statement of Profit or Loss

Operating Revenue

Principal business	Year ended 31 December	
	2025 (RMB)	2024 (RMB)
General power supply business	4,193,737,100.30	3,985,130,833.19
Incremental power transmission and distribution business	328,598,554.84	354,199,417.23
EECS business ⁽¹⁾	426,895,835.53	416,032,519.95
Total	4,949,231,490.67	4,755,362,770.37

Note:

(1) Includes revenue from the sales of electric equipment and materials of approximately RMB16.5 million for the year ended 31 December 2025.

Operating revenue from principal business increased by approximately 4.1% from approximately RMB4,755.4 million for the year ended 31 December 2024 to approximately RMB4,949.2 million for the year ended 31 December 2025, primarily due to the increase in revenue from general power supply business.

General Power Supply Business

Revenue generated from general power supply business increased by approximately 5.2% from approximately RMB3,985.1 million for the year ended 31 December 2024 to approximately RMB4,193.7 million for the year ended 31 December 2025, primarily due to the increase in the number of residential and general industrial and commercial customers and the expansion of electricity consumption scale of large industrial users in 2025 compared with 2024. For the years ended 31 December 2024 and 2025, revenue from the general power supply business accounted for approximately 83.8% and 84.7% of revenue from our principal business, respectively.

Incremental Power Transmission and Distribution Business

Revenue generated from incremental power transmission and distribution business decreased by approximately 7.2% from approximately RMB354.2 million for the year ended 31 December 2024 to approximately RMB328.6 million for the year ended 31 December 2025, primarily due to the decrease in electricity consumption in the supply areas of incremental power transmission and distribution business during the Reporting Period.

EECS Business

Revenue generated from the EECS business increased by approximately 2.6% from approximately RMB416.0 million for the year ended 31 December 2024 to approximately RMB426.9 million for the year ended 31 December 2025, primarily due to the expansion of the scale of EECS business.

Management Discussion and Analysis

Operating Costs

Principal business	Year ended 31 December	
	2025 (RMB)	2024 (RMB)
General power supply business	3,619,155,508.18	3,287,161,029.81
Incremental power transmission and distribution business	307,773,690.62	333,997,199.83
EECS business	368,400,488.16	349,382,750.04
Total	4,295,329,686.96	3,970,540,979.68

Operating costs of principal business increased by approximately 8.2% from approximately RMB3,970.5 million for the year ended 31 December 2024 to approximately RMB4,295.3 million for the year ended 31 December 2025, mainly due to the increase in costs associated with general power supply business.

General Power Supply Business

Operating costs associated with our general power supply business increased by approximately 10.1% from approximately RMB3,287.2 million for the year ended 31 December 2024 to approximately RMB3,619.2 million for the year ended 31 December 2025, primarily due to the increase in power procurement from third-party suppliers as a result of the expansion of the scale of general power supply business, as well as the increase in the settlement of system operation expenses and other items affected by policy during the year. For the years ended 31 December 2024 and 2025, operating costs of general power supply business accounted for approximately 82.8% and 84.3% of the operating costs of our principal business, respectively.

Incremental Power Transmission and Distribution Business

Operating costs associated with our incremental power transmission and distribution business decreased by approximately 7.9% from approximately RMB334.0 million for the year ended 31 December 2024 to approximately RMB307.8 million for the year ended 31 December 2025, primarily due to a decrease in the power supply costs as a result of the decrease in electricity consumption in the supply areas of incremental power transmission and distribution business during the Reporting Period.

EECS Business

Operating costs associated with our EECS business increased by approximately 5.4% from approximately RMB349.4 million for the year ended 31 December 2024 to approximately RMB368.4 million for the year ended 31 December 2025, primarily due to the expansion of the scale of EECS business.

Gross Profit and Gross Profit Margin

Principal business	Year ended 31 December			
	2025		2024	
	Gross Profit (RMB)	Gross Profit Margin %	Gross Profit (RMB)	Gross Profit Margin %
General power supply business	574,581,592.12	13.7	697,969,803.38	17.5
Incremental power transmission and distribution business	20,824,864.22	6.3	20,202,217.40	5.7
EECS business	58,495,347.37	13.7	66,649,769.91	16.0
Total	653,901,803.71	13.2	784,821,790.69	16.5

Our gross profit from principal business decreased by approximately 16.7% from approximately RMB784.8 million for the year ended 31 December 2024 to approximately RMB653.9 million for the year ended 31 December 2025. Our gross profit margin was recorded at 16.5% and 13.2 % for the years ended 31 December 2024 and 2025, respectively.

General Power Supply Business

The gross profit of general power supply business decreased by approximately 17.7% from approximately RMB698.0 million for the year ended 31 December 2024 to approximately RMB574.6 million for the year ended 31 December 2025. The gross profit margin of general power supply business decreased from 17.5% for the year ended 31 December 2024 to 13.7% for the year ended 31 December 2025, primarily due to the increase in the settlement of system operation expenses and other items affected by policy during the year.

Incremental Power Transmission and Distribution Business

The gross profit of incremental power transmission and distribution business increased by approximately 3.1% from approximately RMB20.2 million for the year ended 31 December 2024 to RMB20.8 million for the year ended 31 December 2025, primarily due to the contraction of business scale during the year, while the gross profit margin of the business increased compared with the same period.

EECS Business

The gross profit of EECS business decreased by approximately 12.2% from approximately RMB66.6 million for the year ended 31 December 2024 to approximately RMB58.5 million for the year ended 31 December 2025, primarily due to the impact of the settlement of projects with lower gross profit margins during the year.

Credit Impairment Losses

Credit impairment losses increased from approximately RMB16.8 million for the year ended 31 December 2024 to approximately RMB26.0 million for the year ended 31 December 2025, mainly due to the increase in the balance of other receivables compared with the end of last year.

Finance Costs

Finance costs increased from approximately RMB15.3 million for the year ended 31 December 2024 to approximately RMB23.4 million for the year ended 31 December 2025, mainly due to the expansion of investment scale, which led to an increase in borrowings during the Reporting Period.

Asset Impairment Losses

Asset impairment losses decreased from approximately RMB1.9 million for the year ended 31 December 2024 to RMB1.2 million for the year ended 31 December 2025, mainly due to the decrease in impairment losses on contract assets compared with last year.

Losses from Investment in Associates

Losses from investment in associates increased from a loss of approximately RMB5.4 million for the year ended 31 December 2024 to a loss of approximately RMB14.3 million for the year ended 31 December 2025, mainly due to the loss incurred by a new energy company during the Reporting Period.

Income Tax

Income tax expenses were approximately RMB65.5 million and RMB56.8 million for the years ended 31 December 2024 and 2025, respectively, at effective tax rates of 14.0% and 16.5%, respectively, mainly due to the adjustments of tax filing differences in 2024 which did not arise in this year, as well as temporary differences in income tax arising from the Group's internal transactions during the Reporting Period.

Management Discussion and Analysis

Net Profit

As a result of the above, net profit decreased from approximately RMB401.2 million for the year ended 31 December 2024 to approximately RMB287.7 million for the year ended 31 December 2025.

Analysis of Key Items in the Consolidated Statement of Financial Position

Fixed Assets, Construction in Progress and Right-of-use Assets

	As at 31 December 2025 (RMB)	2024 (RMB)
Fixed assets	4,941,872,224.29	4,254,887,729.31
Construction in progress	475,768,648.60	458,196,521.73
Right-of-use assets	10,683,870.94	8,059,476.63
Total	5,428,324,743.83	4,721,143,727.67

Fixed assets, construction in progress and right-of-use assets (mainly including plant and buildings, machinery, vehicles, office equipment, projects under construction and right-of-use assets) increased from approximately RMB4,721.1 million as at 31 December 2024 to approximately RMB5,428.3 million as at 31 December 2025, mainly due to the new power grid upgrade and transformation project during the Reporting Period.

Intangible Assets

Our intangible assets increased from approximately RMB210.7 million as at 31 December 2024 to approximately RMB222.9 million as at 31 December 2025, mainly due to the addition of land use rights from four subsidiaries during the Reporting Period.

Accounts Receivable

Our accounts receivable were approximately RMB887.6 million and RMB770.6 million respectively as at 31 December 2024 and 2025, primarily due to the Group further strengthening the recovery and management of accounts receivable during the Reporting Period.

Excluding certain accounts receivable for which bad debts have been provided, the average turnover days of our accounts receivable (calculated by using the average value of the opening and closing balance of the accounts receivable of the relevant period divided by the revenue for the period, and then multiplied by the number of days in the period) were approximately 67.6 days and 69.4 days as at 31 December 2024 and 2025, respectively. The increase in turnover days of accounts receivable during the year was mainly due to the increase in the average balance of accounts receivable during the Reporting Period.

Notes Payable

Our notes payable increased from RMB0 million as at 31 December 2024 to RMB150.0 million as at 31 December 2025, primarily due to the use of notes to pay for electricity to upstream suppliers during the Reporting Period.

Accounts Payable

Our accounts payable were approximately RMB1,131.4 million and RMB973.0 million as at 31 December 2024 and 2025, respectively, primarily due to the payment of project costs and material costs in the EECS business segment in accordance with project progress.

The average turnover days of our accounts payable (calculated by using the average value of opening and closing balance of the accounts payable of the relevant period divided by the cost for the period, and then multiplied by the number of days in the period) increased from approximately 86.8 days as at 31 December 2024 to 88.1 days as at 31 December 2025, mainly due to the increase in the average balance of accounts payable during the Reporting Period.

Liquidity and Financial Resources

The Group manages its capital to ensure that entities of the Group will be able to operate as a going concern while maximizing the return to our Shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the year. The capital structure of the Group consists of net debts (which includes borrowings net of cash and cash equivalents) and total equity (comprising paid-in capital/share capital, capital reserve, statutory surplus reserve, retained profits and non-controlling interests). The Group is not subject to any externally imposed capital requirements.

As at 31 December 2025, our cash and cash equivalents amounted to approximately RMB432.1 million (31 December 2024: approximately RMB553.9 million), among which, the amount for daily operating purpose is approximately RMB253.3 million, and the remaining consists of unused proceeds and special funds for rural grid consolidation and improvement projects. The decrease of the balance of cash and cash equivalents was mainly due to payment of daily operating turnover cash at the end of the Reporting Period as affected by the adjustment to the settlement cycle.

As at 31 December 2025, the total borrowings of the Group amounted to approximately RMB897.5 million (31 December 2024: approximately RMB692.6 million), including bank loans and other borrowings. All of our bank and other borrowings bear interest at floating rate and are denominated in RMB.

The Company did not adopt other financial instruments for hedging purposes for the year ended 31 December 2025.

Gearing Ratio

As at 31 December 2025, the gearing ratio of the Group was approximately 32.9% (31 December 2024: approximately 18.8%). Gearing ratio is calculated based on our total interest-bearing liabilities divided by total equity as of the same date.

4. DIVIDEND

The Board proposed to declare a final dividend of RMB0.12 per Share (tax inclusive) for the year ended 31 December 2025 to the Shareholders (except for holders of treasury shares, if any) whose names appear on the register of members of the Company on 29 June 2026, with the total amount of final dividend amounting to approximately RMB128,922,924.00. Subject to approval by the Shareholders at the AGM, the final dividend is expected to be paid on 20 July 2026. For more details, please refer to "Dividends and Distribution" in this report.

5. GLOBAL OFFERING AND USE OF PROCEEDS FROM GLOBAL OFFERING

The Company was listed on the Stock Exchange on 28 December 2018 and 268,800,000 H Shares with a nominal value of RMB1.00 each were issued at a price of HK\$1.77 per Share (the "Global Offering"). The net proceeds from the Global Offering amounted to approximately RMB380.5 million. The Group has utilized approximately RMB376.1 million of such proceeds from the Global Offering according to purposes disclosed in the Prospectus and the relevant announcement and circular as at 31 December 2025. The remaining approximately RMB4.4 million has not been used.

Management Discussion and Analysis

As at 31 December 2025, the unused net proceeds from the Global Offering have been deposited as deposits in licensed banks in China and will be used in strict accordance with the progress of the Company's investment projects. As stated in the Prospectus, the Company intends to use 40% of the net proceeds in the acquisition of power-related assets, as the Group had adopted a more prudent approach with regard to acquisition of power-related assets with a view to ensuring that any such acquisition is only made after more careful consideration and in the interest of the Company and its Shareholders as a whole. As a result, the progress of acquisition of power-related assets has fallen short of expectations, and the Board considered that it is not likely for the Company to be able to apply the funds originally allocated for the above purpose by the original timeline or in a timely manner. As a result, at the Board meeting convened on 19 February 2025, the Board has decided to propose the re-allocation of the remaining net proceeds originally allocated to this segment to be used for replenishing the Group's working capital, which would enable the Group to deploy its financial resources more efficiently, strengthen the financial health of the Group, and improve the quality of the Group's services, thereby creating long-term value for the Shareholders. Further details are set out in the announcement dated 19 February 2025 and the circular dated 25 April 2025 of the Company. Details of the proposed change in the use of proceeds together with the updated expected time of completion of utilisation are set out below:

Use of net proceeds from the Global Offering	Planned use of net proceeds(as set out in the Prospectus) (RMB'000)	Amount of net proceeds unutilized at 1 January 2025 (RMB'000)	Revised allocation of the unutilized net proceeds amount (RMB'000)	Amount utilized during the Reporting Period (RMB'000)	Amount of net Proceeds unutilized at 31 December 2025 (RMB'000)	Updated expected time of completion of utilization of balances
Acquisition of power-related assets	152,193	36,993	—	—	—	N/A
Power grid construction and optimization	114,145	—	—	—	—	N/A
Establishment of centralized power dispatching control center and promotion of intelligent power grid system	76,097	—	—	—	—	N/A
Working capital	38,048	1,572	38,565	34,193	4,372	Prior to 31 December 2030
Total	380,483	38,565	38,565	34,193	4,372	

Notes:

- (1) At the end of the Reporting Period, the unutilized balance of RMB4.4 million recorded in the books of the Company represented the balance of the Hong Kong dollar account. Such balance forms part of the Company's daily working capital and is mainly used to meet future operating payment requirements to be settled in Hong Kong dollars. Based on the existing payment plan of the Company, such balance is expected to be fully utilized before 31 December 2030.
- (2) The estimated schedule for utilizing the remaining proceeds is based on the best estimation made by the Group of future market conditions and may change with the current market conditions and the Group's future developments.

Save for the proposed change in use of proceeds as aforementioned, there have been no other major changes or delays in the usage or use of the net proceeds of the Company.

6. CAPITAL COMMITMENTS

We have certain capital commitments relating to the construction of our transmission and transformation projects and a centralized power dispatching and control center. We classify such commitments as authorized but not contracted for if the Company's management has identified potential capital commitments and has determined that it is more likely to make the commitment.

The following table sets forth our outstanding capital commitments for the periods indicated:

	As at 31 December	
	2025	2024
	(RMB)	(RMB)
Contracted for	225,548,051.01	<u>249,937,305.28</u>

7. SIGNIFICANT INVESTMENTS HELD, MAJOR ACQUISITIONS AND DISPOSALS

For the year ended 31 December 2025, the Group had no significant investments (including any individual significant investment accounting for 5% or more of the Group's total assets as of 31 December 2025), and no material acquisitions and disposals of subsidiaries, associates or joint ventures.

8. PLEDGES OF THE GROUP'S ASSETS

No property, plant and equipment were pledged to banks as at 31 December 2025 (31 December 2024: nil).

9. FOREIGN EXCHANGE RISK

As the Group conducts its business in the PRC, its income and costs/expenses are denominated in RMB, except for the dividend paid by the Company to H Shareholders in Hong Kong dollars. Therefore, the Company does not currently hedge its exposure to foreign currencies and recognizes the profits and losses resulting from fluctuations as and when they arise.

10. CONTINGENT LIABILITIES

As at 31 December 2025, the Group did not have any contingent liabilities (31 December 2024: nil).



Management Discussion and Analysis

11. MAJOR INVESTMENT PLAN

The Group has refined its investment projects under the 2026 investment plan based on the annual budget and made corresponding adjustments to the 2026 investment plan figures. The adjusted investment plan is more closely tailored to the Company's actual operational requirements and strategic development goals, with the definitive figures for the 2026 investment plan prevailing in accordance with the annual report data. The total planned investment for the Group in 2026 amounts to approximately RMB1,289.10 million, comprising: (i) investment in infrastructure of approximately RMB434.69 million, including RMB282.84 million for power grid infrastructure construction (with around RMB156.03 million earmarked for the consolidation and upgrading of rural power grids), RMB136.83 million for integrated energy infrastructure projects, and RMB15.02 million for minor infrastructure construction; (ii) investment in technological transformation of approximately RMB233.67 million; (iii) investment in acquisition of fixed assets of approximately RMB193.96 million; (iv) other investments (new power grid construction projects to support business expansion) of approximately RMB253.93 million; (v) investment in other fixed assets (major repairs) of approximately RMB63.54 million; (vi) investment in intangible assets of approximately RMB52.12 million; and (vii) equity investment of approximately RMB57.20 million.

The above investment plans are to support the Group's business growth within its operating regions. In addition to the Group's net operating cash inflow, which will be gradually invested in such investment plans, it is expected that in 2026, additional bank loans of approximately RMB1,100 million (the proportion of self-raised capital for self-funded projects is considered to be 30%, and the proportion of self-raised capital for the rural grid is 20%, subject to the financial financing plan) will be gained to support the sustained and rapid development of the Group. Such facilities will be mainly bank loans, supplemented by letters of credit, bank acceptances and bonds, depending on the market interest rates.

12. EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had a total of 2,669 full-time employees (31 December 2024: 2,686). The related employee costs (including the Directors' fees) for the year ended 31 December 2025 were approximately RMB546.4 million.

The Company has established a total salary distribution mechanism linked to the Group's business performance, a compensation distribution mechanism corresponding to the annual and term targets of the management team, and a compensation distribution mechanism linked to departmental and employee performance evaluations results, fully motivating the management team's enthusiasm for the Group's business operations, the initiative of departmental collaboration, and employees' creativity and entrepreneurship, providing a solid compensation incentive guarantee for the Group's high-quality development.

The Company has also provided employees with adequate job training, and has formulated an annual training plan for the Company at different levels and categories in terms of the Party building and discipline inspection, safety education, production technologies, business knowledge, continuing education, and comprehensive management and clearly defined the training responsibilities, standardized the training organization processes, strengthened the training process control and strictly evaluated the training effectiveness according to the "Education and Training Management Measures of Sichuan Energy Investment Development Co., Ltd.* (《四川能投發展股份有限公司教育培訓管理辦法》)" to ensure the orderly implementation of training programs according to the training plan, continuously strengthen the investment in staff training and education, and promote the individual growth and capacity improvement of employees. To attract and retain outstanding employees, the remuneration committee under the Board regularly reviews employees' remuneration policies and benefits.

During the Reporting Period, no labor disputes occurred in the Company and its subsidiaries that affected the operations of the Group.

13. SUBSEQUENT EVENTS

Except for the declaration of dividends, there are no material events affecting the Company or any of its subsidiaries after 31 December 2025 and up to the date of this report.

14. OUTLOOK

(1) Consolidating the Advantage of Political Leadership to Improve Corporate Governance Efficiency

First, we unswervingly implement the principle of “consistently adhering to the Party’s leadership in state-owned enterprises and establishing a modern enterprise system”, and continuously optimize the mechanism for the Party organization to play its role in decision-making, implementation and supervision, effectively improving governance efficiency. Second, we further deepen Party building, consolidate the organizational foundation, and continue to advance corporate culture development, providing strong organizational support and spiritual motivation for the company’s reform and development. Third, we strictly implement the assessment and withdrawal mechanism for managerial personnel, promoting the up-and-down and entry-exit of cadres to encourage responsible performance. Meanwhile, focusing on the Group’s business expansion needs, such as the construction of a new power system and green energy development, we continue to improve the selection, cultivation, management and employment of interdisciplinary talents, effectively enhance the digital and intelligent skills of cadres and employees, and better adapt to the company’s quality-oriented transformation and development during the 15th Five-Year Plan period. Fourth, we always maintain a strict working atmosphere and a clean corporate culture, consolidate the responsibility chain at all levels, further advance the comprehensive and strict governance of the Party, and foster a healthy political ecosystem, providing a strong disciplinary guarantee for the Group’s high-quality development.

(2) Shaping Core Strategic Advantages to Enhance the Company’s Development Strength

First, we will advance the construction of 110kV projects in an orderly manner, including Xijie-Chengbei, Qiuling-Haiyang, Ziyang-Fuxing, Yongxing, Cuihe, Erlong, Qianfeng and Furong, and actively promote the implementation of 220kV projects such as Yibin Yunlongsi, Yibin Nanwan, Yunlongsi-Nanwan and the green power transmission from Liangshan to Yibin. Leveraging the industrial chain synergy of the Group, we will strengthen cooperation with sister companies, steadily introduce high-quality power sources, and continuously improve the power grid’s carrying capacity and power supply reliability. Second, we will further build and improve a low-carbon smart power grid in high-tech industrial parks, accelerate the construction of existing green energy projects and the establishment of operation entities, actively explore and expand projects such as charging stations, distributed photovoltaics and energy storage, and speed up the construction of an integrated regional power system featuring “source-grid-load-storage”. Third, we will systematically carry out the 2026 pre-test and pre-inspection of equipment, further deepen the comprehensive remediation of low-voltage transformer areas and frequently power-out lines, optimize service processes and hotline management, continuously improve power supply quality and service standards, and effectively enhance customers’ sense of gain and satisfaction with power services.



Management Discussion and Analysis

(3) Driving Efficient Capital Operation to Promote the Company's All-Round Development

First, we adhere to the dual-drive of domestic and international business, actively advance the M&A of high-quality power assets, explore and develop new growth poles for overseas investment, further optimize the capital structure and reduce the asset-liability ratio. We will accelerate the realization of a positive cycle of “asset securitization — market value growth — enhanced financing capacity”, and strive to build the Group's integrated platform for overseas investment and financing. Second, we will further deepen ESG practices, actively fulfill social responsibilities, strengthen environmental protection, and improve the governance structure. We will drive the sustained growth of performance and market value with a sound corporate fundamental, ensuring the Company's green, low-carbon and sustainable development.

(4) Consolidating the Cornerstone of Risk Prevention and Control to Safeguard the Company's Steady Development

First, we will continuously improve the full-process compliance risk identification, assessment, early warning and response mechanism, and hold fast to the “three lines of defense” for compliance management. We will strengthen audit supervision, institutionalize compliance audits and special audits, enhance the application of audit results and closed-loop rectification management, and improve the level of law-based and compliant operation. Second, we will strictly implement the production safety responsibility system, effectively improve system control and on-site supervision capabilities, carry out regular safety training and emergency drills, comprehensively enhance the safety awareness and emergency response capabilities of all staff, resolutely prevent all types of production safety accidents, and safeguard the lives and property of employees and the reliable supply of power. Third, we will regularly sort out the status of accounts receivable and inventory, clarify the reduction targets, refine work measures and implementation plans, continuously improve asset operation efficiency, ensure that the growth rate of “two funds” (accounts receivable and inventory) does not exceed the revenue growth rate, so as to guarantee the safe and efficient turnover of funds.



Report of the Board of Directors

In 2025, the Board, in strict accordance with the Company Law, the Listing Rules, the Articles of Association and other relevant laws and regulations, performed its duties in a diligent and faithful manner, carried out the decisions passed at the general meeting, formulated plans for operations and development and focused on the power system reform. All Directors offered suggestions to the Company by leveraging their expertise, providing support for the steady and rapid development of the Company. The work of the Board in 2025 is reported as follows:

PRINCIPAL BUSINESS

The Group is a vertically integrated power supplier and service provider in Yibin City, Sichuan Province, with a full power supply value chain covering power generation and power distribution and sales. We have a relatively stable user base and a complete power supply network in Yibin City, which allows us to optimize the balanced use of power resources within the power supply network through efficient allocation of electricity. Our current businesses consist of (i) power business, which includes power production, distribution and sales of power which can be divided into general power supply business and incremental power transmission and distribution business; and (ii) EECS business, which consists of power engineering construction services and sales of electrical equipment and materials.

DIVIDEND POLICY

The Company may declare and pay dividends by way of cash or stock or a combination of both. Distribution of dividends will be determined by the Board at its discretion and will be subject to Shareholders' approval. A decision to declare or to pay any dividends, and the amount of any dividends, will depend on, among other things, our operating results, cash flows, financial condition, operating and capital expenditure requirements, distributable profits as determined under generally accepted accounting principles of the PRC (the "PRC GAAP") or IFRS (whichever is lower), our Articles of Association, the PRC Company Law and any other applicable PRC laws and regulations and other factors that our Directors may consider relevant. In any event, the Company will pay dividends out of the profit after tax only after the following allocations is made:

- recovery of accumulated losses, if any;
- allocation to the PRC statutory reserve an amount equivalent to 10% of our profit after tax, as determined under PRC GAAP; and
- allocation, if any, to a discretionary common reserve fund an amount approved by the shareholders at a general meeting.

The minimum allocation to the PRC statutory reserve is 10% of the profit after tax, as determined under PRC GAAP. When the statutory common reserve fund reaches and is maintained at or above 50% of our registered capital, no further allocation to this PRC statutory reserve will be required. Any distributable profits that are not satisfied in any given year will be retained and become available for distribution in subsequent years.



Report of the Board of Directors

DIVIDEND AND DISTRIBUTION

As at the date of this report, the Board proposed to declare a final dividend of RMB0.12 per Share (tax inclusive) for the year ended 31 December 2025 to the Shareholders (except for holders of treasury shares, if any) whose names appear on the register of members of the Company on 29 June 2026, with the total amount of final dividend amounting to approximately RMB128,922,924.00. Subject to approval by the Shareholders at the AGM, the final dividend is expected to be paid on 20 July 2026.

As at the date of this annual report, the Company was not aware of any arrangements pursuant to which any Shareholder had waived or agreed to waive any dividends. For the distribution of dividends, dividends to the Domestic Shareholders will be declared and paid in RMB, while dividends to the H Shareholders will be declared in RMB but paid in Hong Kong dollars. The exchange rate adopted for currency conversion will be the average of the middle exchange rates for conversion of RMB into Hong Kong dollars announced by the China Foreign Exchange Trading Center during the five business days prior to the date of the AGM.

The Company does not currently hold any treasury shares and will not receive such dividends or distributions, if any.

FINAL DIVIDEND INCOME TAX APPLICABLE TO OVERSEAS SHAREHOLDERS

Under the relevant tax rules and regulations of the PRC (collectively the “**PRC Tax Law**”), the Company is required to withhold enterprise income tax at the rate of 10% when distributing final dividends to non-resident enterprises (such term shall have the meaning as defined under the PRC Tax Law) whose names appear on the H share register of members of the Company.

In accordance with the PRC Tax Law, the Company is also required to withhold individual income tax when distributing final dividends to individual shareholders whose names appear on the H share register of members of the Company. The Company will determine the country of domicile of the individual H Shareholders based on the registered addresses as recorded in the H share register of members of the Company on the record date with details as follows:

For the individual H Shareholders who are Hong Kong and Macau residents and those whose country of domicile has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them.

For the individual H Shareholders whose country of domicile has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of them. If such individual H Shareholders would like to apply for a refund of the additional amount of tax withheld and paid, the Company may make applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to the tax treaties.

For the individual H Shareholders whose country of domicile has entered into a tax treaty with the PRC stipulating a dividend tax rate of higher than 10% but lower than 20%, the Company would withhold and pay the individual income tax at the agreed-upon effective tax rate on behalf of them.

For the individual H Shareholders who are residents of those countries without any tax treaties with the PRC or having tax treaties with the PRC stipulating a dividend tax rate of 20% or more and other situations, the Company would withhold and pay the individual income tax at a tax rate of 20% on behalf of them.

Should the H Shareholders have any doubt in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for relevant tax implications in Mainland China, Hong Kong and other countries (regions) on the possession and disposal of the H Shares of the Company.

The Company will strictly comply with the requirements of relevant government authorities, and will withhold and pay the enterprise/individual income tax on behalf of the Shareholders whose names appear on the H share register of the Company on the record date. The Company will take no responsibility and will not entertain any requests from the Shareholders whose identities cannot be verified within the specified time or at all for any disputes arising from the arrangement of withholding tax or paying tax. However, the Company may provide assistance to the extent possible.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 10 June 2026 to 16 June 2026 (both days inclusive), during which period no transfer of Shares will be effected. The record date for determining the eligibility to attend and vote at the AGM will be 16 June 2026. In order to be qualified to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, namely Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by H Shareholders, or to the Company's registered office at No. 789, Renhe Road, Wenjiang District, Chengdu City, Sichuan Province, the PRC for registration by the Domestic Shareholders no later than 4:30 p.m. on 9 June 2026.

In order to determine the entitlement of Shareholders for the final dividend, subject to the approval of the Shareholders at the AGM, the register of members of the Company will be closed from 24 June 2026 to 29 June 2026 (both days inclusive), during which period no transfer of Shares of the Company will be effected. The Company will distribute final dividends to Shareholders whose names appear on the register of members of the Company on 29 June 2026. The record date for determining the eligibility to receive entitlements will be 29 June 2026. In order to be qualified to obtain the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, namely Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration by holders of H Shares, or to the Company's registered office at No. 789, Renhe Road, Wenjiang District, Chengdu City, Sichuan Province, the PRC for registration by holders of Domestic Shares no later than 4:30 p.m. on 23 June 2026.

BUSINESS REVIEW

The business review and performance of the Group for the year ended 31 December 2025 are set out in the section headed "Management Discussion and Analysis" in this annual report. The discussion forms part of this Report of the Board of Directors.

FINANCIAL REVIEW

The financial review of the Group for the year ended 31 December 2025 is set out in the section headed "Management Discussion and Analysis" in this annual report. The discussion forms part of the Report of the Board of Directors.

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the section headed "Corporate Governance Report" in this annual report.



Report of the Board of Directors

SHARE CAPITAL

Details of the changes in the share capital of the Company during the year ended 31 December 2025 are set out in Note V.28 to the consolidated financial statements in this annual report.

CAPITAL RESERVE, SPECIFIC RESERVE AND SURPLUS RESERVE

Details of the changes in the Company's capital reserve, specific reserve and surplus reserve during the year ended 31 December 2025 are set out in Notes V.29, 30 and 31 to the consolidated financial statements in this annual report.

RETAINED EARNINGS

As at 31 December 2025, the Company's retained earnings are approximately RMB1,327.0 million.

FIXED ASSETS

Details of the changes in the Company's property, plant and equipment during the year ended 31 December 2025 are set out in Note V.10 to the consolidated financial statements in this annual report.

DIRECTORS

During the year ended 31 December 2025 and up to the date of this annual report, the Board is composed of:

He Jing	Chairman and Executive Director
Wang Yuanchun	Deputy Chairman, Executive Director and General Manager
Xie Peixi	Executive Director
Gao Bin	Non-executive Director
Yao Gengsheng	Non-executive Director (appointed on 18 June 2025)
Han Chunhong	Non-executive Director (resigned on 18 June 2025)
Xie Beidi	Non-executive Director (appointed on 18 June 2025)
Tao Xueqing	Non-executive Director (resigned on 18 June 2025)
Xia Long	Non-executive Director (appointed on 18 June 2025)
Zhao Gen	Non-executive Director (resigned on 18 June 2025)
Chen Yan	Non-executive Director (appointed on 6 November 2025)
Kong Ce	Non-executive Director (resigned on 17 October 2025)
Siu Chi Hung	Independent Non-executive Director
Chen Chuan	Independent Non-executive Director
Mou Yingshi	Independent Non-executive Director
Li Jian	Independent Non-executive Director
He Yin	Independent Non-executive Director

The biographies details of the current Directors are set out in the section headed "Directors and Senior Management" in this annual report and details for remuneration of Directors are set out in Note XIV.2 to the consolidated financial statements in this annual report.

INTERESTS OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

During the year ended 31 December 2025, except for the service contracts, there was no transaction, arrangement or contract of significance to the Company's business in which the Company, any of its subsidiaries, fellow subsidiaries or holding companies was a party, and in which the Directors or entities connected with them have or had directly or indirectly material interests.

MANAGEMENT CONTRACT

During the year ended 31 December 2025, the Company did not enter into nor did the Company have any existing contracts for the management and operation of all or part of the Company's material businesses.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

During the year ended 31 December 2025, none of the Company, controlling shareholders or the companies under the same controlling shareholders with the Company was a party of any arrangement to entitle the Directors of the Company or their associates to acquire benefits by means of the acquisition of shares in or debentures of them.

DIRECTORS' SERVICE CONTRACT

Each of the executive Directors, non-executive Directors and the independent non-executive Directors has entered into a service contract with the Company which is consistent with the term of the fifth session of the Board of the Company. The service contract may be renewed in accordance with the Articles of Association and applicable laws, rules and regulations.

On 6 November 2025, the Company abolished its Supervisory Committee and all Supervisors stepped down.

During the year of 2025, none of the Directors has entered into any service contract with the Company that cannot be terminable by the Company within one year without payment of compensation (other than statutory compensation).

REMUNERATION OF DIRECTORS

Details for remuneration of Directors are set out in Note XIV.2 to the consolidated financial statements in this annual report.



Report of the Board of Directors

DETERMINATION OF AND BASIS FOR DETERMINATION OF REMUNERATION OF THE DIRECTORS AND SENIOR MANAGEMENT

As at 31 December 2025, there were 13 Directors in the Company, including five non-executive Directors who did not receive remuneration from the Company; five independent non-executive Directors, among whom Mr. Siu Chi Hung, Mr. Mou Yingshi, Mr. Chen Chuan, Prof. Li Jian and Ms. He Yin received remuneration from the Company, for which the remuneration shall be subject to the remuneration standards approved by the general meeting; and three executive Directors, including Mr. He Jing, Mr. Wang Yuanchun and Ms. Xie Peixi who did not receive separate directors' fees for their office as executive Directors while receiving the corresponding remuneration for their management-level positions in the Company. The emoluments of the Directors are determined based on the responsibilities and experience, prevailing market conditions and the remuneration policy of the Company as determined by the Board or its delegated committee.

There were six Supervisors in the former supervisory committee of the Company, including two employee Supervisors who received the corresponding remuneration for their positions in the Company while not receiving remuneration for Supervisors, and the other four Supervisors who had not received any remuneration from the Company. On 6 November 2025, the Company abolished its Supervisory Committee and all Supervisors stepped down.

Annual remuneration system is applied for the senior management of the Company, where their remuneration consists of basic remuneration, annual performance pay, tenure incentives, medium-and-long-term incentives and bonuses. Details of the remunerations of the Directors and five highest paid individuals during the Reporting Period are disclosed in Note XIV.2 and Note XIV.3 to the consolidated financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2025, to the best knowledge of the Board, none of the Directors of the Company and their respective associates was interested in any business which competed or was likely to compete with the business of the Group, or caused or was likely to cause any other conflict of interest to the Group.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, according to the information obtained by the Company and to the best knowledge of the Company, none of the Directors or chief executives of the Company has any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which shall be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under Divisions 7 and 8 of the SFO), or which shall be recorded in the interests register pursuant to section 352 of the SFO, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2025, within the knowledge of the Directors, the following persons (other than the Directors and chief executive of the Company) had an interest or a short position in the shares or underlying shares that would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept pursuant to Section 336 of the SFO:

Name of shareholder	Capacity	Class of Shares	Number of Shares (Note 1)	Long position/short position	Percentage of total Shares (%)	Approximate percentage of Shares of the same class issued (%)
Sichuan Development (Holding) Co., Ltd.* (四川發展(控股)有限責任公司) (Note 2)	Interest in controlled corporations	Domestic Shares	286,960,942	Long	26.71	100.00
	Beneficial owner and interest in controlled corporations	H Shares	132,375,058	Long	12.32	16.81
Sichuan Energy Development Group Co., Ltd.* (四川能源發展集團有限責任公司) (Note 2)	Interest in controlled corporations	Domestic Shares	286,960,942	Long	26.71	100.00
	Interest in controlled corporations	H Shares	107,437,458	Long	10.00	13.64
Sichuan Province Hydropower Investment and Management Group Co., Ltd.* (四川省水電投資經營集團有限公司)	Beneficial owner	Domestic Shares	286,960,942	Long	26.71	100.00
	Beneficial owner	H Shares	107,437,458	Long	10.00	13.64
China Power International Development Limited (中國電力國際發展有限公司)	Beneficial owner	H Shares	98,039,200	Long	9.13	12.45
China Three Gorges Corporation* (中國長江三峽集團有限公司) (Note 3)	Interest in controlled corporations	H Shares	98,039,200	Long	9.13	12.45
Three Gorges Capital Holdings Company Limited* (三峽資本控股有限責任公司)	Beneficial owner	H Shares	98,039,200	Long	9.13	12.45
Gao County State-owned Assets Operation and Management Co., Ltd.* (高縣國有資產經營管理有限責任公司)	Beneficial owner	H Shares	92,406,000	Long	8.60	11.74
Tianqi Lithium HK CO., Ltd (天齊鋰業香港有限公司)	Beneficial owner	H Shares	77,500,000	Long	7.21	9.84
Yibin Development Holding Group Co., Ltd.* (宜賓發展控股集團有限公司)	Beneficial owner	H Shares	65,359,500	Long	6.08	8.30
Tian Qiu (田秋) (Note 4)	Interest in controlled corporations and interest of spouse	H Shares	62,570,000	Long	5.82	7.95
Wang Wenxiang (王文香) (Note 4)	Interest in controlled corporations and interest of spouse	H Shares	62,570,000	Long	5.82	7.95
Sichuan Jinneng Energy Group Co., Ltd.* (四川金能能源集團有限公司) (Note 4)	Interest in controlled corporations	H Shares	62,570,000	Long	5.82	7.95
Jinneng Holding (Hong Kong) Limited	Beneficial owner	H Shares	62,570,000	Long	5.82	7.95
Beijing Forever Technology Company Limited* (北京恆華偉業科技股份有限公司)	Beneficial owner	H Shares	55,366,000	Long	5.15	7.03



Report of the Board of Directors

Notes:

1. As at 31 December 2025, the Company has issued 286,960,942 Domestic Shares and 787,396,758 H Shares. The total number of issued Shares was 1,074,357,700 shares.
2. As at 31 December 2025, Hydropower Group beneficially owned 286,960,942 Domestic Shares and 107,437,458 H Shares, and is held as to 77.75% by Sichuan Energy Development Group, which is in turn owned as to approximately 50.054% by State-owned Assets Supervision and Administration Commission of the Sichuan Provincial Government* (四川省政府國有資產監督管理委員會), approximately 45.333% by Sichuan Development Co. and approximately 4.613% by Sichuan Provincial Department of Finance* (四川省財政廳), respectively. State-owned Assets Supervision and Administration Commission of the Sichuan Provincial Government* (四川省政府國有資產監督管理委員會) is the actual controller of Sichuan Energy Development Group. Therefore, Sichuan Energy Development Group is deemed to be interested in the 286,960,942 Domestic Shares and 107,437,458 H Shares held by Hydropower Group pursuant to Part XV of the SFO. Sichuan Development Co. is also deemed to be interested in the aforesaid 286,960,942 Domestic Shares and 107,437,458 H Shares. In addition, Sichuan Development Co. beneficially owned 24,937,600 H Shares, thus Sichuan Development Co. was deemed to hold a total of 286,960,942 Domestic Shares and 132,375,058 H Shares.
3. As at 31 December 2025, Three Gorges Capital Holdings Company Limited held 98,039,200 H Shares. Three Gorges Capital Holdings Company Limited is directly and indirectly controlled as to 90% of shareholdings by China Three Gorges Corporation. Therefore, according to Part XV of the SFO, China Three Gorges Corporation is deemed to be interested in 98,039,200 H Shares.
4. As at 31 December 2025, Jinneng Holding (Hong Kong) Limited held 62,570,000 H Shares. Jinneng Holding (Hong Kong) Limited is directly wholly-owned by Sichuan Jinneng Energy Group Co., Ltd., which was owned as to 70% and 30% by Mr. Tian Qiu and Ms. Wang Wenxiang, respectively. In addition, Mr. Tian Qiu and Ms. Wang Wenxiang are couples. Therefore, according to Part XV of the SFO, Sichuan Jinneng Energy Group Co., Ltd. is deemed to be interested in 62,570,000 H Shares held by Jinneng Holding (Hong Kong) Limited. Mr. Tian Qiu and Ms. Wang Wenxiang are also deemed to be interested in the 62,570,000 H Shares above.

Save as disclosed above, as of 31 December 2025, the Company was not aware of any other persons (other than the Directors or chief executive of the Company) have an interest or a short position in the shares or underlying shares that would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept pursuant to Section 336 of the SFO.

CHANGES OF DIRECTORS AND CHIEF EXECUTIVE AND CHANGES IN THEIR INFORMATION

Changes of Directors and chief executive and changes in their information during the period from the date of the 2025 interim report up to the date of this report are as follows:

1. On 17 October 2025, Ms. Xie Beidi (non-executive Director) ceased to serve as a member of the Company's Risk Control Committee, and Mr. Yao Gengsheng (non-executive Director) was appointed as a member of the Company's Risk Control Committee. Mr. Yao Gengsheng (non-executive Director) ceased to serve as a member of the Company's Audit Committee, and Ms. Xie Beidi (non-executive Director) was appointed as a member of the Company's Audit Committee. For details, please refer to the Company's announcement dated 17 October 2025.
2. On 17 October 2025, Mr. Kong Ce resigned as a non-executive Director due to changes in his work arrangements. Mr. Chen Yan was appointed as a non-executive Director. For details, please refer to the Company's announcements dated 17 October 2025 and 6 November 2025.
3. On 6 November 2025, the Company abolished its Supervisory Committee, and all Supervisors stepped down.
4. Mr. Siu Chi Hung (independent non-executive Director) obtained the qualification certificate for independent director of listed companies from the Shanghai Stock Exchange in August 2025.
5. On 9 March 2026, Mr. Yao Gengsheng has tendered his resignation as a non-executive Director and member of the Risk Control Committee due to retirement. The aforesaid resignation of Mr. Yao will take effect upon the election of a new non-executive Director to fill his vacancy at the 2025 annual general meeting of the Company.

After making specific enquiries by the Company and confirmed by the Directors and chief executives, save as disclosed in this annual report, no other changes in the information of any Directors and chief executives that are required to be disclosed pursuant to paragraphs (a) to (e) and paragraph (g) of Rule 13.51(2) of the Listing Rules have to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the above-mentioned periods.

NON-EXEMPT CONNECTED TRANSACTIONS

For the year ended 31 December 2025, the Group conducted connected transactions with its controlling shareholders or their subsidiaries. Such transactions are subject to the reporting, and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(1) Disposal of approximately 49.0% equity interests in Pingshan Jinping

On 27 February 2025, Sichuan Energy Power Investment Pingshan Electricity Co., Ltd.* (四川能投屏山電力有限公司) (a wholly-owned subsidiary of the Company) and Sichuan Jinjiao Real Estate Development Co., Ltd.* (四川金嬌房地產開發有限公司) ("**Jinjiao Real Estate Development**") entered into the equity interest transfer agreement, pursuant to which Sichuan Energy Power Investment Pingshan Electricity Co., Ltd.* (四川能投屏山電力有限公司) agrees to sell and Jinjiao Real Estate Development agrees to purchase approximately 49.0% of the equity interests in Pingshan Jinping Real Estate Development Co., Ltd. at the consideration of RMB12,020,572.63. Prior to the completion of the equity interest transfer, Sichuan Energy Power Investment Pingshan Electricity Co., Ltd. holds approximately 49.0% of the equity interests in Pingshan Jinping Real Estate Development Co., Ltd. After the completion of the equity interest transfer, the Group no longer holds any equity interest in Pingshan Jinping Real Estate Development Co., Ltd. Jinjiao Real Estate Development is indirectly held as to more than 30% by Hydropower Group and Energy Investment Group, which are the controlling shareholders. Accordingly, Jinjiao Real Estate Development is a connected person of the Company, and the equity interest transfer constitutes a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules. More details are set out in the announcement dated 27 February 2025 of the Company.

(2) Subcontracting Agreement

On 26 March 2025, Sichuan Energy Investment Development Construction Co., Ltd.* (四川能投發展建設有限公司) ("**Sichuan Energy Investment Development Construction**") (a wholly-owned subsidiary of the Company) entered into the Subcontracting Agreement with Sun Technology Company Limited* (成都太陽高科技有限責任公司) ("**Sun Technology**"), pursuant to which Sun Technology agreed to provide certain contracting services to Sichuan Energy Investment Development Construction for the information system project at the contract price of RMB11,873,557 (tax inclusive), comprising (i) software fees of RMB76,741.00 (tax inclusive), (ii) equipment material of RMB11,304,631.00 (tax inclusive); and (iii) installation and testing fee of RMB492,185.00 (tax inclusive). The entire sum of the contract price of the Subcontracting Agreement would be financed by the Group's internal fund. Based on the Company's past experience and estimation, the estimated maximum final settlement price of the Subcontracting Agreement is expected to have a fluctuation of no more than 20% from the contract price. Sun Technology is a non-wholly owned subsidiary of Hydropower Group, which is one of the controlling Shareholders of the Company. Accordingly, Sun Technology is an associate of Hydropower Group and therefore a connected person of the Company under Rule 14A.07 and the transactions contemplated under the Subcontracting Agreement constitute connected transaction of the Company pursuant to Chapter 14A of the Listing Rules. More details are set out in the announcement dated 26 March 2025 of the Company.



Report of the Board of Directors

(3) Construction Contract

On 16 April 2025, Sichuan Energy Investment Development Construction (a wholly-owned subsidiary of the Company) and Sichuan Energy Investment Intelligent Logistics Co., Ltd.* (四川能投智慧物流有限責任公司) (“**SEI Intelligent Logistics**”) entered into the Construction Agreement, pursuant to which Sichuan Energy Investment Development Construction agreed to provide certain construction services to SEI Intelligent Logistics for the project at the contract price of RMB3,381,544.52 (tax inclusive), comprising (i) the safety and civilised construction measure fees; (ii) construction equipment fee; (iii) the tentative fee for professional works; (iv) the provisional amount; and (v) construction installation engineering fee. SEI Intelligent Logistics is an indirect wholly-owned subsidiary of Energy Investment Group, and Energy Investment Group was in turn held as to approximately 84.2% by Sichuan Development (formerly one of the controlling shareholders of the Company prior to the Restructuring). As of the date of this Report, SEI Intelligent Logistics is indirectly wholly-owned by Sichuan Energy Development Group. Accordingly, SEI Intelligent Logistics was an associate of Sichuan Development and therefore a connected person of the Company under Rule 14A.07 of the Listing Rules, and the transactions contemplated under the Construction Agreement constitute connected transaction of the Company pursuant to Chapter 14A of the Listing Rules. More details are set out in the announcement dated 16 April 2025 of the Company.

(4) EPC Contract

On 4 December 2025, (i) Yunnan Yiliangruiyuan Hydropower Development Co., Ltd.* (雲南彝良瑞源水電開發有限公司) (“**Yiliangruiyuan Hydropower**”) as principal, and (ii) Sichuan Energy Investment Development Construction and Sichuan Jianneng Electric Power Design Co., Ltd. (四川省建能電力設計有限公司) (“**Sichuan Jianneng Electric Power Design**”) as contractors, provide relevant EPC services in relation to the project. The contract price is RMB7,820,750 (tax inclusive), comprising: (i) design fees of RMB455,455 (tax inclusive); (ii) engineering costs (including work safety fees) of RMB7,365,295 (tax inclusive). Sichuan Energy Development Group is one of the controlling shareholders of the Company, and Sichuan Energy Development Group collectively controls approximately 92.0% of the equity interests in Yiliangruiyuan Hydropower. Accordingly, Yiliangruiyuan Hydropower is an associate of Sichuan Energy Development Group under Rule 14A.07 of the Listing Rules and therefore a connected person of the Company, and the transactions contemplated under the EPC Contract constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Further details are set out in the announcement dated 4 December 2025 of the Company.

(5) Equipment Procurement Agreement

On 4 December 2025, Sichuan Energy Investment Materials Industry Group Co.,Ltd.* (四川能投物資產業集團有限公司) (“**Materials Industry Group**”) entered into the Equipment Procurement Agreement with Sichuan Energy Investment Development Construction, a wholly-owned subsidiary of the Company, pursuant to which Materials Industry Group agreed to supply certain equipment to Sichuan Energy Investment Development Construction. The contract price is RMB5,147,575.94 (including freight charges and taxes). Under the Equipment Procurement Agreement, the purchaser is required to make an advance payment amounting to RMB772,136.39 (15% of the provisional estimated contract price) for equipment and materials within 14 days after the contract comes into effect upon signing. After the project commences and the supplier delivers the goods to the designated location and obtains a receipt, the supplier shall issue a VAT special invoice to the purchaser for an amount equal to the delivered equipment and materials. The purchaser shall then pay 65% of the invoiced amount as the payment upon arrival of goods. After the project passes the completion acceptance inspection, the purchaser shall pay 10% of the invoiced amount. After the project audit is completed, the purchaser shall pay 7% of the invoiced amount. The remaining 3% (RMB154,427.28) will be settled within 14 days of receiving the supplier’s application after the expiry of the one-year warranty period, provided that no quality issue of the equipment purchased is discovered during the period. Materials Industry Group is a wholly-owned subsidiary of Sichuan Energy Development Group, and Sichuan Energy Development Group is the controlling shareholder of the Company. Accordingly, Materials Industry Group is a connected person of the Company, and the transaction contemplated under the Equipment Procurement Agreement constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules. More details are set out in the announcement dated 4 December 2025 of the Company.

(6) THE CONSTRUCTION AGREEMENT

On 16 September 2025, Sichuan Energy Investment Development Construction (a wholly-owned subsidiary of the Company) and Sichuan Province Hydropower Investment and Management Group Dege Gesaer Electric Power Co., Ltd.* (四川省水電投資經營集團德格格薩爾電力有限公司) (“**Dege Gesaer Electric Power**”) entered into the construction agreement of the electricity construction project of the Dege County Industrial Park (the “**Construction Agreement**”), pursuant to which Sichuan Energy Investment Development Construction agreed to provide certain construction services to Dege Gesaer Electric Power for the Project at the contract price of RMB4,436,243.02 (tax inclusive). Dege Gesaer Electric Power is a non-wholly-owned subsidiary of Hydropower Group, which is a controlling shareholder of the Company. Accordingly, Dege Gesaer Electric Power is an associate of Hydropower Group and therefore a connected person of the Company under Rule 14A.07 of the Listing Rules. For further details, please refer to the announcement of the Company dated 16 September 2025.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

(1) Electricity Purchase Framework Agreements

On 16 May 2024, (i) the Company entered into the electricity purchase framework agreement (the “**Yibin Zhangwo Electricity Purchase Framework Agreement**”) with Yibin Zhangwo Power Generation Co., Ltd.* (宜賓張窩發電有限公司) (“**Yibin Zhangwo**”); and (ii) the Company entered into the electricity purchase framework agreement (the “**Shuifu Hongli Electricity Purchase Framework Agreement**”) with Shuifu Hongli Power Generation Co., Ltd.* (水富泓力發電有限公司) (“**Shuifu Hongli**”) (collectively, the “**Electricity Purchase Framework Agreements**”). Pursuant to the Yibin Zhangwo Electricity Purchase Framework Agreement and the Shuifu Hongli Electricity Purchase Framework Agreement, Yibin Zhangwo and Shuifu Hongli shall respectively supply electricity to the Company and its subsidiaries from the effective date of the respective agreement and up to 31 December 2026.

For the year ended 31 December 2024 and the years ending 31 December 2025 and 31 December 2026, the proposed annual caps of the transactions contemplated under the Electricity Purchase Framework Agreements are RMB128,830,000, RMB137,660,000 and RMB133,250,000, respectively.

For the year ended 31 December 2025, the actual transaction amount under the Electricity Purchase Framework Agreements was RMB120,929,700.

Each of Yibin Zhangwo and Shuifu Hongli is held as to approximately 66.67% by Sichuan Energy Investment Jinding Industrial Finance Holding Group Co., Ltd.* (四川能投金鼎產融控股集團有限公司) (“**Jinding Group**”), which is in turn held as to approximately 69.39% by Hydropower Group and approximately 30.61% by Energy Investment Group. Both Hydropower Group and Energy Investment Group are the controlling shareholders of the Company, and hence each of Yibin Zhangwo and Shuifu Hongli is a connected person of the Company. The purchases of electricity by the Group from Zhangwo Power Station and Dayukong Power Station constitute continuing connected transactions of the Group. Further details are set out in the Company’s announcement dated 16 May 2024 and circular dated 20 September 2024.

(2) 2025–2026 Property Management Framework Agreement

On 24 December 2024, the Company entered into the 2025–2026 Property Management Framework Agreement with Sichuan Province Hydropower Group Baishiji Property Management Co., Ltd.* (四川省水電集團百事吉物業管理有限公司) (“**Baishiji**”). Pursuant to the 2025–2026 Property Management Framework Agreement, Baishiji agreed to continue to provide certain property management related and other services to the Group from 1 January 2025 to 31 December 2026.

For the years ending 31 December 2025 and 31 December 2026, the proposed annual caps of the transactions contemplated under the 2025–2026 Property Management Framework Agreement are RMB20,500,000 and RMB20,500,000, respectively.



Report of the Board of Directors

For the year ended 31 December 2025, the actual transaction amount generated under the 2025 Property Management Framework Agreement was RMB12,520,188.

Baishiji is a wholly-owned subsidiary of Energy Investment Group, and Energy Investment Group is one of the controlling shareholders of the Company prior to the Restructuring. Accordingly, Baishiji is a connected person of the Company, and the transactions contemplated under the 2025–2026 Property Management Framework Agreement constitute continuing connected transactions of the Company. Further details are set out in the Company's announcement dated 24 December 2024. As at the date of this annual report, Baishiji is an associate of Sichuan Energy Development Group, the controlling shareholder of the Company.

(3) Renewal of Leasing Agreement of Substations (2025)

On 28 December 2023, Sichuan Energy Investment Development Construction, a wholly-owned subsidiary of the Company, entered into the 2024 Substations Leasing Agreement with Sichuan Changning Natural Gas Development Co., Ltd.* (四川長寧天然氣開發有限責任公司) (“**Changning Natural Gas**”). Pursuant to the terms of the 2024 Substations Leasing Agreement, the leasing of six temporary substations to Changning Natural Gas has expired on 31 December 2024. On 24 December 2024, Sichuan Energy Investment Development Construction and Changning Natural Gas have agreed in writing to further renew the Lease Agreement of Substations (2025) for a term of one year from 1 January 2025 to 31 December 2025.

The total amount of rental from 1 January 2025 to 31 December 2025 under the 2025 Substations Leasing Agreement shall not exceed RMB5,900,000, which is based on the sum of the total lease payment of each of the six temporary substations based on their respective monthly rental over the lease period of 12 months under the 2025 Substations Leasing Agreement.

The monthly rental rate of the six temporary substations under the Leasing of Substations (2025) is determined on arm's length basis with reference to the prevailing market rates, the tariffs for power transmission and distribution at the relevant locations and the rent charged by Sichuan Energy Investment Development Construction to other independent third parties.

The actual total amount of rental from 1 January 2025 to 31 December 2025 under the 2025 Substations Leasing Agreement was approximately RMB5,859,815.

Changning Natural Gas is an associate of Energy Investment Group, and Energy Investment Group is one of the controlling shareholders of the Company prior to the Restructuring. Accordingly, Changning Natural Gas is a connected person of the Company and the transactions contemplated under the Renewal of Leasing Agreement of Substations (2025) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Further details are set out in the Company's announcements dated 24 December 2024. As at the date of this annual report, Changning Natural Gas is an associate of Sichuan Energy Development Group, the controlling shareholder of the Company.

(4) Renewal of Leasing Agreement of Substations (2026)

On 4 December 2025, Sichuan Energy Investment Development Construction, a wholly-owned subsidiary of the Company, entered into the 2025 Substations Leasing Agreement with Changning Natural Gas. Pursuant to the terms of the 2025 Substations Leasing Agreement, the leasing of six temporary substations to Changning Natural Gas has expired on 31 December 2025. On 4 December 2025, Sichuan Energy Investment Development Construction and Changning Natural Gas have agreed in writing to further renew the Lease (2026) for a term of one year from 1 January 2026 to 31 December 2026.

The total rental under the 2026 Substations Leasing Agreement for the period from 1 January 2026 to 31 December 2026 shall not exceed RMB5,900,000, which is based on the sum of the total lease payment of each of the six temporary substations pursuant to their respective monthly rental over the lease period of 12 months under the Lease (2026).

The monthly rental rates of the six temporary substations under the Lease (2026) are determined on arm's length basis, with reference to the latest prevailing market rates, the tariffs for power transmission and distribution at the relevant locations and the rent charged by Sichuan Energy Investment Development Construction to other independent third parties.

Changing Natural Gas is an associate of Energy Investment Group, and Energy Investment Group is one of the controlling shareholders of the Company prior to the Restructuring. Accordingly, Changing Natural Gas is a connected person of the Company and the transactions contemplated under the Renewal of Leasing Agreement of Substations (2026) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Further details are set out in the Company's announcement dated 4 December 2025. As at the date of this annual report, Changing Natural Gas is an associate of Sichuan Energy Development Group, the controlling shareholder of the Company.

(5) The 2024 Rural Power Grid Assets Management and Maintenance Agreement and The 2024 Rural Power Grid Assets Usage Agreement

On 18 March 2025 after trading hours, the Company entered into (i) the 2024 Rural Power Grid Assets Management and Maintenance Agreement with Hydropower Group to retrospectively acknowledge and confirm the transaction amounts for the 2024 rural power grid assets management and maintenance fees actually incurred with, and to be received from, the Hydropower Group, being approximately RMB15.0 million (tax inclusive) or RMB13.3 million (tax exclusive), pursuant to which the Company agreed to provide management and maintenance services for the Excluded Rural Power Grid Projects to Hydropower Group in 2024; and (ii) the 2024 Rural Power Grid Assets Usage Agreement to retrospectively acknowledge and confirm the transaction amounts for the 2024 rural power grid usage fees actually incurred with, and to be paid to, the Hydropower Group, i.e. approximately RMB34.9 million (tax inclusive) or RMB30.9 million (tax exclusive), pursuant to which the Company was entitled to use the Excluded Rural Power Grid Projects controlled by Hydropower Group in 2024. The delay in entering into and disclosure of the aforesaid agreements and the continuing connected transactions thereunder were primarily due to the Notice on Further Clarifying Matters Related to Electricity Purchasing by Local Grids (Chuan Fa Gai Jia Ge [2022] No. 90) issued by the Sichuan Provincial Development and Reform Commission, which led to a renegotiation between the Company and Hydropower Group regarding the pricing basis of the usage fee with respect to the Group's usage of the rural grid assets of the Excluded Rural Power Grid Projects. Hydropower Group is one of the controlling shareholders of the Company. Accordingly, Hydropower Group is a connected person of the Company and the transactions under the 2024 Rural Power Grid Assets Management and Maintenance Agreement and the 2024 Rural Power Grid Assets Usage Agreement constitute continuing connected transactions of the Company. For details, please refer to the announcements of the Company dated 18 March 2025 and 8 April 2025.

The Company confirms that the signing and execution of the specific agreements under the above continuing connected transactions for the year ended 31 December 2024 have been in accordance with the pricing principles for such continuing connected transactions.

For the year ended 31 December 2024, the actual transaction amount under the Rural Power Grid Assets Management and Maintenance Agreement was RMB30,892,159.



Report of the Board of Directors

(6) The 2025–2027 Rural Power Grid Assets Usage Agreement

On 18 March 2025, the Board resolved to approve the Company to enter into the 2025–2027 Rural Power Grid Assets Usage Agreement with Hydropower Group and signed the 2025–2027 Rural Power Grid Assets Usage Agreement on 25 September 2025, pursuant to which, the Company was entitled to use the Excluded Rural Power Grid Projects controlled by Hydropower Group for the period from 1 January 2025 to 31 December 2027 for the purpose of supplying electricity to remote rural areas, improving the electricity accessibility of the remote rural areas.

The asset usage fee shall be determined based on arms' length negotiation between the parties with reference to the impact of the electricity price reform policy, and shall be calculated in accordance with the following formula: The formula used to calculate the usage price per kilowatt is as follows:

The asset usage fee = The income from electricity sales in rural areas x The proportion attributable to the rural power grid assets of the Excluded Rural Power Grid Projects x The proportion of depreciation expenses

The annual caps for the transactions contemplated under the 2025–2027 Rural Power Grid Assets Usage Agreement shall be no exceeding RMB67.0 million, RMB70.0 million and RMB72.0 million.

The annual caps were arrived with reference to the formula as set out in the 2025–2027 Rural Power Grid Assets Usage Agreement and the following considerations: (i) the upper limit of the expected annual electricity sales income of the Group (to be generated from both the rural power grid assets of the Excluded Power Grid Projects and the assets owned by the Company) of RMB240,565,300, RMB254,990,200, and RMB268,524,800 for each of the three years ending 31 December 2027 respectively, which is estimated based on average electricity sales price in 2024 and the expected growth in volume of electricity consumption with reference to the historical consumption volume; (ii) the proportion of income attributed by the rural grid assets of the Excluded Power Grid Projects, which has taken into account the value of the rural grid assets of the Excluded Power Grid Projects and those owned by the Company, and the expected investment into the Company's owned rural grid assets; (iii) the proportion of depreciation expenses, which was calculated with reference to the depreciation expenses in 2024 and was estimated to remain largely unchanged during the three years ending 31 December 2027; and (iv) the corresponding value added tax to be potentially incurred and a reasonable buffer to cater for unforeseen fluctuation of electricity prices and other expenses.

For the year ended 31 December 2025, the actual transaction amount under the Rural Power Grid Assets Usage Agreement was RMB46,283,542. Hydropower Group is one of the controlling shareholders of the Company. Accordingly, Hydropower Group is a connected person of the Company and the transactions under the 2025–2027 Rural Power Grid Assets Usage Agreement constitute continuing connected transactions of the Company. Further details on the Renewed Rural Power Grid Assets Usage Agreement are set out on the Company's announcements dated 18 March 2025 and 25 September 2025.

(7) Renewal of Electricity Purchases and Sales Agreement (2025 to 2027)

On 28 December 2021, Sichuan Energy Investment Gong County Electricity Co., Ltd.* (四川能投珙縣電力有限公司) (“**Gong County Electricity**”), a wholly-owned subsidiary of the Company, and Yunnan Yiliangruiyuan Hydropower Development Co., Ltd* (雲南彝良瑞源水電開發有限公司) (“**Yiliangruiyuan Hydropower**”) entered into the 2022 Electricity Purchases and Sales Agreement which expired on 31 December 2024. On 24 December 2024, the Company entered into the Yiliangruiyuan Electricity Purchase Framework Agreement with Yiliangruiyuan Hydropower, pursuant to which Yiliangruiyuan Hydropower shall supply electricity to the Company and its subsidiaries from 1 January 2025 to 31 December 2027. Energy Investment Group controls in aggregate approximately 58.0% of the equity interests of Yiliangruiyuan Hydropower. Accordingly, Yiliangruiyuan Hydropower is a connected person of the Company under the Listing Rules. As at the date of this annual report, Yiliangruiyuan Hydropower is an associate of Sichuan Energy Development Group, the controlling shareholder of the Company.

For the years ending 31 December 2025, 2026 and 2027, the annual caps of electricity fee payable by the Company under the Yiliangruiyuan Electricity Purchase Framework Agreement are RMB12,500,000 respectively. The parties agreed that the electricity fee payable by the Company under the Yiliangruiyuan Electricity Purchase Framework Agreement shall be settled on a monthly basis. The unit price of electricity payable by the Company shall be RMB0.32 per kWh (tax inclusive), which was determined after arm's length negotiation between the Company and Yiliangruiyuan Hydropower with reference to (i) the historical unit price paid by the Group for the electricity purchased from Yiliangruiyuan Hydropower; (ii) the unit price of electricity charged by other Independent Third Parties; and (iii) (a) the average unit price of electricity so far in 2024 charged by State Grid Corporation of China (國家電網有限公司), being approximately RMB0.3683 per kWh (tax exclusive); and (b) the average unit price of electricity so far in 2024 charged by China Southern Power Grid Company Limited (中國南方電網有限責任公司), being approximately RMB0.3739 per kWh (tax exclusive). Further details are set out in the Company's announcement dated 24 December 2024.

For the year ended 31 December 2025, the actual transaction amount incurred under the renewal of electricity purchases and sales agreement was RMB5,094,705.74.

The Company confirms that the signing and execution of the specific agreements under the above continuing connected transactions for the year ended 31 December 2025 have been in accordance with the pricing principles for such continuing connected transactions.

Save as disclosed above, none of the related-party transactions or continuing related-party transactions set out in Note X to the consolidated financial statements in this annual report fall within the scope of discloseable connected transaction or continuing connected transaction under the Listing Rules.

REVIEW BY THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors have reviewed the above-mentioned continuing connected transactions during the year and confirmed that such transactions were:

- (i) in the ordinary and usual course of business of the Company;
- (ii) carried out on normal commercial terms and no less favorable than those available or provided by an independent third party; and
- (iii) conducted in accordance with the terms of relevant agreements, which were fair and reasonable and in the interests of the Shareholders as a whole.

AUDITORS' OPINION

The auditor of the Company has been appointed by the Company to issue a report on the Group's continuing connected transactions in accordance with Hong Kong Standard- on Assurance Engagements No. 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" (Revised) and with reference to the Practice Note No. 740 "Auditor's Letter on Continuing Connected Transaction under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reviewed the transactions in accordance with Rule 14A.56 of the Listing Rules and issued a letter of confirmation to the Board, confirming that as of 31 December 2025, the auditor has not identified any matter in respect of the above continuing connected transactions that would cause the auditor to be of the opinion that:

- (i) these continuing connected transactions have not been approved by the Board;
- (ii) if transactions involve the supply of goods or services by the Company and are not conducted in accordance with the Company's pricing policy in all material respects;



Report of the Board of Directors

- (iii) in all material respects not in accordance with the agreements governing the transactions; or
- (iv) exceed the annual caps.

COMPLIANCE WITH THE DISCLOSURE REQUIREMENTS UNDER CHAPTER 14A OF THE LISTING RULES AND INTERNAL CONTROL MEASURES

Save as disclosed in the announcements of the Company dated 18 March 2025 and 8 April 2025 in relation to (i) the 2024 Rural Power Grid Assets Management and Maintenance Agreement and (ii) the 2024 Rural Power Grid Assets Usage Agreement, the connected transactions and continuing connected transactions of the Group comply with the disclosure requirements under Chapter 14A of the Listing Rules.

In order to minimise the risk of recurrence of similar incidents, the Company will implement the following measures:

- (i) The Company will provide a draft agreement to Hydropower Group at least four months prior to the expiry of the 2025–2027 Rural Power Grid Assets Usage Agreement to initiate the negotiation for the renewal of the continuing connected transactions.
- (ii) As disclosed in the announcement of the Company dated 8 April 2025, the Company will conduct quarterly confirmation of the transaction amount incurred so far from the usage of the rural grid assets of the Excluded Power Grid Projects with Hydropower Group, which would facilitate the estimation of future annual settlement amounts, thereby simplifying and shortening the negotiation cycle with Hydropower Group.
- (iii) The Company will continue its efforts to remind Hydropower Group of the relevant Listing Rules requirements and strengthen communication with Hydropower Group. To this end, the Company will discuss with Hydropower Group to formulate a transaction timetable for both parties to follow, and will regularly follow up with Hydropower Group on the internal approval progress of the relevant transaction agreements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities (including sale of any treasury shares) of the Company. The Company did not hold (whether held directly or deposited with CCASS, or otherwise) any treasury shares as at 31 December 2025.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2025, the total purchasing amount by the Company from five largest suppliers accounted for 57.11% of the total cost of sales amount for the year ended 31 December 2025, of which the purchasing amount from the largest supplier accounted for 37.35% of the total cost of sales amount for the year ended 31 December 2025.

During the year ended 31 December 2025, the total sales amount by the Company from five largest customers accounted for 24.02% of the total sales for the year ended 31 December 2025, of which the sales amount from the largest customer accounted for 15.67% of the total sales for the year ended 31 December 2025.

To the knowledge of the Directors, none of the Directors or any of their close associates or any Shareholders (which to the knowledge of the Directors own more than 5.0% of the Company's issued share capital (excluding treasury shares)) had an interest in any of the Company's top five customers or suppliers during the year.

RELATIONSHIP WITH EMPLOYEES

The Company attaches importance to the construction of employee relationship, and has formulated the Measures for the Administration of Labor Contracts of Sichuan Energy Investment Development Co., Ltd. and the Code of Conduct for Employees of Sichuan Energy Investment Development Co., Ltd. It adheres to the normative employment in accordance with the laws through standardized and institutionalized management, and establishes harmonious labor relations. The Company was awarded as “AA Grade Model Enterprise with Harmonious Labor Relations in Chengdu” by Chengdu Tripartite Committee for Coordinating Labor Relations and “Model Pilot Unit for Comprehensive Reform of Harmonious Labor Relations at Provincial Level in Wenjiang District, Chengdu” by the Office of Tripartite Committee for Coordination of Labor Relations in Wenjiang District, Chengdu.

RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

The Company maintains a long-term and stable win-win relationship with customers and suppliers, which can ensure the long-term sustainable development of the Company. At the same time, it is very important to maintain good relationship with customers and suppliers for the Company’s long-term development. Therefore, the Company has always been committed to providing customers with high-quality and high-level services.

PRE-EMPTIVE RIGHTS AND SHARE OPTION ARRANGEMENTS

In 2025, the Company had no pre-emptive rights and share option arrangements. There are no specific provisions under the PRC laws or the Articles of Association in relation to pre-emptive rights.

ENVIRONMENTAL POLICIES AND PERFORMANCE

During the Reporting Period, the Company did not occur any environmental pollution incidents. All operating power stations over which the Company has operational control have complied with domestic laws and regulations relating to environmental protection and have not been fined or prosecuted for non-compliance.

During the Reporting Period, the Company strictly complied with various national environmental laws and regulations, including the Environmental Protection Law of the PRC, the Environmental Impact Assessment Law and the Law on Prevention and Control of Water Pollution. In accordance with the requirements of the laws and regulations, the Company strictly safeguarded its capital investment in environmental protection and complied with the regulatory and industry standards of the relevant central and local government departments and industry associations. During the production process, the main environmental risks are: (1) waste floating upstream from the hydroelectric power station; and (2) a small amount of oily waste generated during equipment maintenance. Both of them are not classified as hazardous waste, but we manage them with reference to hazardous waste in terms of collection, storage and disposal. We have entered into agreements with qualified units to centralize and deliver them to landfills or treatment areas designated by relevant government departments for compliant treatment. During the Reporting Period, the Company’s production met the environmental protection requirements and there was no record of non-compliance.

OPERATIONAL SAFETY

During the Reporting Period, the Company did not have any employee, equipment, grid or other liability incidents. All operating power stations over which we have operational control are in compliance with domestic regulations relating to production safety and have not been fined or prosecuted for non-compliance.

During the Reporting Period, the Company seriously implemented relevant work requirements of the competent state authorities, strictly enforced the production safety assessment, strengthened basic management of safety and environmental protection, reinforced the implementation of the responsibilities for production safety and environmental protection, seriously implemented safety training and education, and vigorously carried out investigation and remediation of hidden dangers to better accomplish production safety work objectives.



Report of the Board of Directors

COMPLIANCE WITH LAWS AND LITIGATION

As far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects during 2025. The Group did not have any material litigation outstanding as at 31 December 2025.

PUBLIC FLOAT

Based on publicly available information obtained by the Company and to the best knowledge of the Directors, as of 31 December 2025 and at the date of this annual report, the Company has maintained the minimum public float, which the public shareholders hold not less than 25% of the total issued shares (excluding treasury shares) in the class of H shares of the Company as required under the Listing Rules.

COMPLIANCE WITH NON-COMPETITION AGREEMENT

The controlling shareholders signed a non-competition agreement in favour of the Company on 7 December 2017 (the “**Non-competition Agreement**”). Pursuant to the Non-competition Agreement, each of the controlling shareholders has irrevocably undertaken to the Group that each of them would not, and would procure each of its respective associates (except any member of our Group) would not, directly or indirectly, carry on, participate or be interested or engaged in any business which is or may be in competition with the business of any member of our Group from time to time.

Hydropower Group, the direct controlling shareholder of the Group, agreed to grant the Group irrevocable options to acquire any and all of the excluded rural power grid projects in Seven Counties and Districts, which constitute part of the rural power grid construction project phase III and are controlled by Hydropower Group (the “**Excluded Rural Power Grid Projects**”) and the power generation and power supply businesses of Hydropower Group in Sichuan Province (except our power supply service area) (the “**Other Power Business**”).

Hydropower Group has agreed to grant the Group irrevocable right of first refusal. If Hydropower Group intends to transfer its interests in Excluded Rural Power Grid Projects and Other Power Business to any third party, the Group has the right of first refusal to acquire the Excluded Rural Power Grid Projects and Other Power Business at the considerations valued by third-party valuers in accordance with applicable laws and regulations at the time.

If each of our controlling shareholders and its associates have any business which is or may be in competition with the business of any member of the Group from time to time (the “**Restricted Business**”), it will notify the Company immediately and assist the Company and the subsidiaries of the Group to obtain the business opportunities on the same terms or on more favorable terms.

For details, please refer to the section headed “Relationship with our Controlling Shareholders” in the prospectus.

For the year ended 31 December 2025, the Company did not exercise the options, right of first refusal or the options for new business opportunities granted by the controlling shareholder(s). After considering the business scale and prospect, financial conditions and other related factors of the Group, and the current conditions of the Excluded Rural Power Grid Projects and the Other Power Business, the independent non-executive Directors decided not to exercise the options. Moreover, to the best knowledge of our controlling shareholders, no business opportunity of Restricted Business was offered to them and they had no intention to transfer its interest in the Excluded Rural Power Grid Projects and Other Power Business to any third party during the Reporting Period. The independent non-executive Directors have reviewed the information provided by the Company and the controlling shareholders regarding compliance with the Non-competition Agreement and determined that the controlling shareholder had fully complied with the Non-competition Agreement during the year of 2025.

For clarity, prior to the Restructuring, Sichuan Development was a controlling shareholder of the Company which indirectly controlled approximately 77.74% of the equity interests of Hydropower Group, a controlling shareholder of the Company. Following the completion of the Restructuring, Hydropower Group was held as to approximately 77.74% by Sichuan Energy Development Group, which was in turn only held as to approximately 45.33% by Sichuan Development. As a result, Sichuan Development is no longer a controlling shareholder of the Company under the Listing Rules following the Restructuring, and hence is not subject to the Non-competition Agreement.

RISKS

(1) Policy risk

First, as the reform of electricity marketization continues to deepen, Sichuan Province initiated a spot trading pilot in September 2025. Starting from September 2025, the residential “one household, one meter” low-valley electricity pricing policy has been implemented in the service areas of local power grids. In 2026, the Company will continue to settle with State Grid Sichuan Electric Power Supply Company on time-of-use profit/loss, system operation costs, and pre-settlement deviation charges, which will further reduce the gross profit per unit of electricity supply. Second, the transmission and distribution tariffs for the fourth regulatory cycle will be determined in 2026. From the effective date of these tariffs, on-grid electricity (including self-owned and grid-connected hydropower and photovoltaic generation, inter-county trading, and purchases from China Southern Power Grid) will be prioritized to guarantee electricity supply for residential and agricultural use. This will further increase the Company’s power procurement costs and affect its profitability.

(2) Operational risk

1. There is a certain gap between actual economic benefits and those expected in the early stage of an integrated energy project. The Company is transforming from a traditional power enterprise to a integrated energy service provider. The Company is at the stage of grabbing high-quality resources, establishing related businesses and expanding into potential markets in the integrated energy sector. However, certain green energy markets have not established well with less-than-expected demand, and related green energy businesses need a certain incubation period, and the project profitability is affected by industrial policy changes, social and economic environment and local government and other uncontrollable factors, which may result in a certain gap between actual economic benefits and those expected in the early stage of the project.
2. Our power grids and power sources are insufficient and we are increasingly relying on the superior power grids. Save as individual distributed photovoltaic power station, the grid-connected power stations of the Company are all run-off hydroelectric power stations, without the introduction of new power generation sources. The Company’s electricity supply has continued to grow in recent years, while the power output exhibits a significant difference between the wet and dry season, which mainly depends on the superior grids such as State Grid and Southern Power Grid, and the possible insufficient power supply of the superior grids may have negative impact on the power supply capacity of the Company.
3. Procurement risks associated with a direct approach. Direct procurement may be very necessary in certain circumstances, but the Company is required to carefully manage the associated risks and take appropriate measures to ensure compliance, efficiency and sustainability.



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4. Risks associated with connected transactions. Firstly, if the contracts associated with connected transactions of the Company are not filed in a timely manner, the Company may face risks associated with connected transactions. Secondly, connected transactions may be subject to the risk of unfair pricing (such as quotations are significantly higher than market prices). Thirdly, if connected transactions are not properly approved, the Company may face the risk of connected transaction violations, thereby affecting the Company's image in the capital market. Fourthly, if the disclosed connected transactions are not strictly implemented, it may lead to situations such as the actual transaction amount of the Company's connected transactions exceeding the disclosed amount without supplementary disclosure, thus causing compliance risks to the Company. Fifthly, the Company may face the risk of regulatory penalties if its connected transactions and related disclosures do not comply with the provisions of the Listing Rules.
5. Safety risk. While the overall safety production of the enterprise remains controllable and manageable, several risk factors persist: First, the increasing frequency of severe weather in recent years, especially during the main flood season, has heightened pressure on disaster prevention and mitigation. Second, as the Yibin area is located in an earthquake fault zone with frequent seismic activity, the pressure for earthquake prevention and disaster reduction remains. Third, ongoing projects are numerous and geographically dispersed, with a relatively high turnover of construction personnel, which poses certain operational risks. Fourth, some production equipment has aged and requires upgrading or retrofitting to ensure its safe and stable operation.
6. Public opinion risks. Public opinion risks are primarily concentrated in three areas: First, in terms of power supply and service, rising electricity demand in the service area, combined with extreme weather, may trigger localized or widespread power outages, leading to heated discussions online. Simultaneously, as user expectations for electricity service experience increase, issues such as abnormal electricity meter readings, delayed fault repairs, and slow response to inquiries can easily attract public attention. Second, regarding electricity bill collection and policy awareness, the natural increase in electricity costs due to higher household appliance ownership and usage frequency, coupled with the implementation of policies such as electricity price reform and adjustments to transmission and distribution tariffs, may lead some users who are unfamiliar with the details to simplistically attribute rising bills to tariff adjustments or meter replacements, fostering misunderstandings and generating skeptical public sentiment. Third, regarding issues arising from power engineering construction, matters such as land acquisition and crop compensation involved in construction may trigger sustained complaints and public scrutiny if compensation standards fall short of property owners' expectations or communication is inadequate. Additionally, if mishandled, critical issues such as loopholes in construction safety management or disputes over payment settlements may also spark online discussions and damage the corporate image.

(3) Investment risk

The Company currently is at the rapid development stage and will successively roll out a broad array of significant investment and M&A projects. Whether or not the investment income will meet our expectations will have an impact on the future development of the Company.

(4) Financial risk

1. Exchange rate risk: The Company primarily conducts its production and operational activities within Mainland China, and its fund receipts and payments are mainly settled in Renminbi. The Company held a small amount of Hong Kong dollars. Fluctuation of Renminbi against Hong Kong dollars may lead to certain exchange gains and losses on Hong Kong dollars held by the Company. However, gain or loss arising from exchange rate changes will have insignificant impact on the Company's financial condition and operating performance in overall.

2. Capital risk: the Company may increase material investment activities during its course of business development, and the adequacy of capital will have a significant impact on the operation and development of the Company.

MATERIAL LEGAL PROCEEDINGS

During the year ended 31 December 2025, the Company had not been involved in any material legal proceedings nor arbitration.

PERMITTED INDEMNITY

Pursuant to the Articles of Association, subject to the provisions of regulations, each Director of the Company shall be entitled to receive compensation from the Company for any losses that may be suffered or incurred in the execution of his/her office or otherwise in relation thereto. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against Directors of the Company as a result of the performance of his/her duties or in other aspects in connection with it.

AUDITOR

The Company did not change auditor in the last three years. The financial statements of the Company for the year ended 31 December 2025 have been audited by KPMG Huazhen LLP.

A resolution regarding the reappointment of KPMG Huazhen LLP as the auditor of the Company will be proposed at the 2025 annual general meeting.

On behalf of the Board

He Jing

Chairman

Chengdu, 30 March 2026



Corporate Governance Report

The Company is fully aware of the importance of maintaining high-standard corporate governance to increase shareholders' equity and enhance the performance of the Group. The Board reviews the Company's corporate governance practices from time to time to meet the expectations of stakeholders and comply with the increasingly stringent regulatory requirements, as well as to fulfill its commitment to adhere to good corporate governance. The corporate governance principles adopted by the Company for the year ended 31 December 2025 are set out as follows.

1. CORPORATE GOVERNANCE STRUCTURE

The Company conducts standard operation by strictly following applicable laws and regulations and regulatory documents such as the Company Law, the Securities Law and the Listing Rules as well as the Articles of Association. The Company has established an internal governance structure comprising the general meeting, the Board and its special committees, and senior management and taken step-by-step measures to improve its system, specify the management mechanism and workflow. The Board and the management always follow good governance principles to manage the Company's business effectively, treat all Shareholders fairly and strive for the long-term, stable and growing return for all Shareholders. During the Reporting Period, the internal governance structure remained independent and efficient operation and performed their responsibilities and obligations effectively.

2. COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE

Throughout the year ended 31 December 2025, the Company had complied with all applicable code provisions of the Corporate Governance Code set out in part 2 of Appendix C1 to the Listing Rules and had adopted most of the recommended best practices as set out in part 2 of Appendix C1 to the Listing Rules.

3. COMPLIANCE WITH THE PROVISIONS OF THE MODEL CODE BY DIRECTORS AND FORMER SUPERVISORS

The Company has also adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors and former Supervisors. Having made specific inquiries with all the Directors and former Supervisors, all the Directors and former Supervisors confirmed that they have complied with the Model Code throughout the year ended 31 December 2025 (in the case of former Supervisors, referring to those Supervisors who served from 1 January 2025 to 6 November 2025).

4. SHAREHOLDERS

4.1 Shareholders' rights

As stipulated in the Articles of Association, the procedures for Shareholders to convene the extraordinary general meeting, send enquiries and make proposals at the general meeting are as follows:

a) Convene extraordinary general meeting

Shareholders who individually or jointly hold 10% or more of the shares of the Company can request the Board to convene an extraordinary general meeting by signing one or several copies of written request(s) in the same form and content, and stating the proposals. The Board shall, within 10 days of receiving such written request, provide a written response indicating whether it agrees or disagrees to convene an extraordinary general meeting.

b) Make enquiries to the Board

Shareholders who intend to put forward their inquiries about the Company to the Board could email their inquiries to the Board Office at the email address: db@scntgf.com. The Company will not normally deal with verbal or anonymous inquiries.

c) Make proposals to the general meeting

- (1) Shareholders individually or jointly holding over 1% of shares of the Company are entitled to put forward in writing extraordinary proposals to the Board and submit them 10 days before the convening of the general meeting at the email address: db@scntgf.com.
- (2) When the Company convenes a general meeting, a written notice of the meeting shall be given 20 days before the date of the meeting for annual general meeting and 15 days before the date of the meeting for extraordinary general meeting, to notify all of the shareholders whose names appear in the share register of the matters to be considered and the date and place of the meeting. A shareholder who intends to attend the annual general meeting or the extraordinary general meeting shall deliver to the Company his/her written reply concerning his/her attendance at such meeting 10 days or 8 days before the date of the meeting.

4.2 General meeting

During the year ended 31 December 2025, the Company convened one annual general meeting and 1 extraordinary general meeting as follows:

Meeting	Date	Convening Method	Number of shareholders or their proxies in attendance	Shares represented (share)	Proportion
2024 annual general meeting	18 June 2025	On-site	5	840,629,479	78.24%
2025 first extraordinary general meeting	6 November 2025	On-site	4	940,560,779	87.55%

Relevant legal procedures were performed at the above general meetings to ensure shareholders' involvement and enforcement of right.

5. THE BOARD

5.1 Composition of the Board

As at the date of this report, the Board of the Company is composed of:

He Jing	Chairman and Executive Director
Wang Yuanchun	Deputy Chairman, Executive Director and General Manager
Xie Peixi	Executive Director
Gao Bin	Non-executive Director
Yao Gengsheng	Non-executive Director (appointed on 18 June 2025)
Han Chunhong	Non-executive Director (resigned 18 June 2025)
Xie Beidi	Non-executive Director (appointed on 18 June 2025)
Tao Xueqing	Non-executive Director (resigned 18 June 2025)
Xia Long	Non-executive Director (appointed on 18 June 2025)
Zhao Gen	Non-executive Director (resigned 18 June 2025)
Chen Yan	Non-executive Director (appointed on 6 November 2025)
Kong Ce	Non-executive Director (resigned 17 October 2025)
Siu Chi Hung	Independent Non-executive Director
Chen Chuan	Independent Non-executive Director
Mou Yingshi	Independent Non-executive Director
Li Jian	Independent Non-executive Director
He Yin	Independent Non-executive Director

There is no financial, business, family or other material/relevant relationship(s) among the Directors. The Company has independent non-executive Directors representing over one-third of the Board, one of whom is an accounting and financial management professional with a proper qualification, meeting the requirements of Rule 3.10 and Rule 3.10A of the Listing Rules.

Under the Articles of Association, the term of office of each Director (including non-executive Directors) is three years, which is renewable upon re-election. As of the date of this annual report, the Company had received an annual confirmation of independence from each independent non-executive Director and the Company confirmed that all independent non-executive Directors are independent.

The Board of Directors exerts its leadership directly and indirectly through its committees, and provides guidance to the management and supervises the operation and financial performance of the Group by formulating strategies and overseeing the implementation of the strategies, so as to ensure a sound internal control and risk management system. With the assistance of the executive Directors, the chairman will ensure that all Directors are provided with sufficient and reliable information in a timely manner so that they can make necessary analysis based on their business expertise.

5.2 Board meetings

During the year ended 31 December 2025, the Company convened 2 general meetings and 13 Board meetings in total, at which 61 proposals were considered and approved, as well as 5 Remuneration and Evaluation Committee meetings, 7 Audit Committee meetings, 5 Nomination Committee meetings and 1 Risk Control Committee meeting.

The attendance of each Director at general meetings, Board meetings and committee meetings, whether in person or by means of electronic communication, is detailed in the table below:

Director	Number of actual attendances/number of attendances as required					
	General Meeting	Board Meeting	Remuneration and Evaluation Committee Meeting	Risk Control Committee Meeting	Audit Committee Meeting	Nomination Committee Meeting
He Jing	2/2	13/13	—	—	—	5/5
Wang Yuanchun	2/2	13/13	—	—	—	—
Xie Peixi	2/2	13/13	—	—	—	—
Gao Bin	2/2	13/13	5/5	—	—	—
Yao Gengsheng (<i>Note 1</i>)	1/1	7/7	—	—	2/2	—
Han Chunhong (<i>Note 2</i>)	1/1	6/6	—	—	4/4	—
Xie Beidi (<i>Note 3</i>)	1/1	7/7	—	—	1/1	—
Tao Xueqing (<i>Note 4</i>)	1/1	6/6	—	1/1	—	—
Xia Long (<i>Note 5</i>)	1/1	7/7	—	—	—	—
Zhao Gen (<i>Note 6</i>)	1/1	3/6	—	—	—	—
Chen Yan (<i>Note 7</i>)	1/1	2/2	—	—	—	—
Kong Ce (<i>Note 8</i>)	1/1	11/11	—	—	—	—
Siu Chi Hung	2/2	13/13	—	1/1	7/7	—
Chen Chuan	2/2	13/13	5/5	—	—	1/1
Mou Yingshi	2/2	13/13	5/5	—	—	5/5
Li Jian	2/2	13/13	—	1/1	7/7	—
He Yin	2/2	13/13	—	—	—	4/4

Notes:

1. Mr. Yao Gengsheng was appointed on 18 June 2025.
2. Ms. Han Chunhong resigned on 18 June 2025.
3. Ms. Xie Beidi was appointed on 18 June 2025.
4. Mr. Tao Xueqing resigned on 18 June 2025.
5. Mr. Xia Long was appointed on 18 June 2025.
6. Mr. Zhao Gen resigned on 18 June 2025.
7. Mr. Chen Yan was appointed on 6 November 2025.
8. Mr. Kong Ce resigned on 17 October 2025.

5.3 Continuing professional development of Directors

In compliance with Rule 3.09D of the Listing Rules which took effect on 31 December 2023, Ms. Xie Beidi, Mr. Yao Gengsheng and Mr. Xia Long, all of whom were appointed as a Director on 18 June 2025, obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 17 June 2025, Mr. Chen Yan (appointed as a director on 6 November 2025) have obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 5 November 2025, and have confirmed that they understood his obligation as a director of a listed issuer under the Listing Rules.

The Company regularly arranges seminars and training for Directors and from time to time provides Directors with updates on the latest developments and changes in the Listing Rules and other relevant legal and regulatory requirements. For the year ended 31 December 2025, all Directors, namely Mr. He Jing, Mr. Wang Yuanchun, Ms. Xie Peixi, Mr. Gao Bin, Mr. Yao Gengsheng, Ms. Han Chunhong, Ms. Xie Beidi, Mr. Tao Xueqing, Mr. Xia Long, Mr. Zhao Gen, Mr. Chen Yan, Mr. Kong Ce, Mr. Siu Chi Hung, Mr. Chen Chuan, Mr. Mou Yingshi, Mr. Li Jian and Ms. He Yin had received special training on insider information and training on notifiable transactions of equity securities under the Listing Rules, and training on sustainable development management for Hong Kong listed companies. Directors actively participated in training and continuing professional development, learned and updated their knowledge and skills to make correct decisions for the development of the Company.

5.4 Directors and senior management's remuneration

Details for remuneration of Directors are set out in Note XIV.2 to the consolidated financial statements in this annual report.

During the Reporting Period, 8 senior management team members of the Company were granted remunerations totaling RMB5,982,927.41 (before tax and including the Company's contribution in social insurance and housing provident funds) based on their salary payables covering the months they were in service.

The following table sets out the remuneration paid to senior management of the Company categorized by range during the year ended 31 December 2025 in this annual report:

Remuneration range (RMB)	Number of individuals
0-500,000	0
500,000-1,000,000	8

5.5 Board and senior management

The Company's chairman and general manager are served by different persons. During the Reporting Period, Mr. He Jing acted as the chairman of the Company. Mr. Wang Yuanchun acted as the general manager of the Company. The Board and the management perform their respective functions and responsibilities with strict division of functions and powers and comply with the stipulations in the Articles of Association, Rules of Procedures for the Meetings of the Board of Directors, Rules for Work of General Manager and relevant laws and regulations.

1) Board of Directors

The Board exercises the following functions and powers:

- (1) to convene general meetings, to propose at a general meeting to pass the relevant matters and to report its work to the shareholders;
- (2) to implement the resolutions passed at the general meeting;
- (3) to decide the Company's operation and investment plans;
- (4) to formulate the Company's proposed annual preliminary and final financial budgets;
- (5) to formulate the Company's profit distribution plan and plan for recovery of losses;
- (6) to formulate proposals for increases or reductions of the Company's registered capital and issue of bonds or other securities and listing;
- (7) to draw up plans for the material asset acquisition or disposal, repurchase of shares of the Company or merger, division, dissolution and alternation of corporate form of the Company;
- (8) to decide on the establishment of the Company's internal management structure;
- (9) to appoint or remove the Company's general manager and secretary to the Board; to appoint or remove other senior management staff based on nomination from the general manager; and to determine the matters relating to the remuneration, incentives and punishments of the senior management staff;
- (10) to decide on the proposals for salaries, benefits, incentives and punishments of the Company's staff;
- (11) to draw up the Company's basic management system;
- (12) to draw up proposals for amendments to the Articles of Association;
- (13) to determine the establishment of the Company's domestic or overseas branches;
- (14) to decide on the matters such as merger, division, reorganization or dissolution of the Company's wholly-owned subsidiaries and controlling subsidiaries;
- (15) to decide on the establishment of special committees under the Board and to appoint or remove its person-in-charge;



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- (16) to propose at general meetings a resolution in respect of candidates for independent non-executive directors and replacement of independent non-executive directors;
- (17) to propose at general meetings for the appointment, renewal or removal of accountant's firm conducting auditing for the Company;
- (18) to hear the work report and inspect the work of the general manager;
- (19) to manage information disclosure of the Company;
- (20) to formulate the equity incentives plan;
- (21) to exercise decision-making powers on issues in respect of external investment (including increase in investment and equity transfer), financing, venture capital, entrusted wealth management, provision of external guarantees, save and except for those decisions to be made by the general meeting pursuant to the laws, regulations and the Articles of Association;
- (22) to formulate and review the corporate governance policy and practices of the Company;
- (23) to review and supervise the training and continuing professional development of directors and senior management staff;
- (24) to review and supervise the policies and practices of the Company in compliance with legal and regulatory requirements;
- (25) to formulate, review and supervise the code of conduct and compliance manual (if any) applicable to employees and directors;
- (26) to review the Company's compliance with the Corporate Governance Code as set out in the Listing Rules of the Main Board and the disclosure in the Corporate Governance Report;
- (27) to decide on other major affairs of the Company, save for matters to be resolved at general meetings as required by the Company Law and the Articles of Association;
- (28) to exercise other powers conferred by the Articles of Association or general meetings; and
- (29) other matters as required by the PRC laws and regulations.

The Board currently sets up four committees, namely, audit committee, remuneration and evaluation committee, nomination committee, and risk control committee. All committees have drawn up rules of procedures and are responsible to the Board and provide suggestions and advisory opinions for Board's decision-making under the unified leadership of the Board.

During the Reporting Period, to make the Board's decision-making more scientific and promote its standard and efficient operation, the Board expanded channels of information communication and launched special surveys while strengthening communication with the senior management and closely paying attention to material matters.

2) Senior management

During the Reporting Period, the Company has one general manager, who is responsible to and report to the Board, and four deputy general managers, one chief financial officer (chief accountant), one chief engineer, and one chief economist to assist the work of the general manager.

The general manager shall exercise the following functions and powers:

- (1) to be in charge of the production, operation and management of the Company and organize the implementation of Board resolutions and report work to the Board;
- (2) to organize the implementation of the annual business plans and investment plans of the Company;
- (3) to draft the plan for the establishment of the Company's internal management organization;
- (4) to draft the basic management system of the Company;
- (5) to formulate the specific rules and regulations of the Company;
- (6) after obtaining the consent from the Chairman, to propose to the Board the appointment or dismissal of senior management personnel within the executive team, such as the Deputy General Manager, Chief Accountant, Chief Engineer, and Chief Economist;
- (7) after obtaining the consent from the Chairman, to decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal falls under the authority of the Board;
- (8) to be responsible for reporting to the Board and the Chairman on the Company's operational status, the performance of duties by the executive team, and his/her own performance of duties;
- (9) to formulate the salary, benefits, and reward/penalty schemes for employees of the Company, and to decide on the hiring and dismissal of employees of the Company.
- (10) other functions and powers delegated by the Articles of Association and the Board.

5.6 Special committees of the Board

5.6.1 Audit Committee

The Audit Committee is responsible for supervising our internal control, risk management, financial information disclosure and financial reporting.

As at the end of the Reporting Period, the Audit Committee comprises Mr. Siu Chi Hung (independent non-executive Director), Ms. Xie Beidi (non-executive Director) and Prof. Li Jian (independent non-executive Director), with Mr. Siu Chi Hung serving as the chairman. During the Reporting Period, the Audit Committee held 7 meetings and considered 18 proposals. The Group's audited annual results for the year ended 31 December 2024 and unaudited interim results for the six months ended 30 June 2025 have been reviewed by the Audit Committee, which was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group for selection and appointment of the external auditors and the financial management and internal control systems of the Group.

5.6.2 Remuneration and Evaluation Committee

The Remuneration and Evaluation Committee is responsible for proposing to the Board on remuneration policies and structure for all Directors (including executive Directors) and senior management of the Company (factors to be considered in the remuneration policies shall include remuneration paid by comparable companies, time commitment and responsibilities and employment conditions of other positions within the Group), approving the terms of executive directors' service contracts, and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules, and establishment of formal and transparent procedures for the formulation of remuneration policies or plans. The Remuneration and Evaluation Committee has adopted the approach under the code provision E.1.2(c)(ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

As at the end of the Reporting Period, the Remuneration and Evaluation Committee comprises Mr. Chen Chuan (independent non-executive Director), Mr. Mou Yingshi (independent non-executive Director) and Mr. Gao Bin (non-executive Director), with Mr. Chen Chuan serving as the chairman. During the Reporting Period, the Remuneration and Evaluation Committee convened 5 meetings, at which 6 resolutions were considered and reviewed, including the formulation of Directors' remuneration policy.

5.6.3 Nomination Committee

The Nomination Committee is responsible for proposing to the Board on appointment or dismissal of directors and senior management.

As at the end of the Reporting Period, the Nomination Committee comprises Mr. He Jing (Chairman and executive Director), Mr. Mou Yingshi (independent non-executive Director) and Ms. He Yin (independent non-executive Director), with Mr. He Jing serving as the chairman. During the Reporting Period, the Nomination Committee held 5 meetings and considered 5 proposals.

Nomination policy

All matters relating to nomination shall be deliberated by the Nomination Committee prior to its submission to the Board of Directors for deliberation. The Nomination Committee puts forward recommendations with respect to, among others, the candidates of the Directors and senior management members and selection criteria to the Board pursuant to the provisions and requirements of the Rules of Procedure of the Nomination Committee of the Board and the Board Diversity Policy, and based on the actual situations of the Company. The Nomination Committee shall determine, by a resolution, the appointment criteria, selection procedure and term of office of the Company's Directors and senior management members. The resolution should be filed for record and submitted to the Board for approval.

5.6.4 Risk Control Committee

The Risk Control Committee is responsible for formulating risk management policies, regularly evaluating risk level and management conditions, assessing the working procedure and results by the internal audit department, making proposals to improve risk management and internal control, and supervising senior management in credit, market and operation management risks. The Company supervises the risk control procedures through the establishment of a comprehensive risk management mechanism, maintains dynamic lists through regular risk identification, assessment and summary, and improves the construction of internal control systems through periodic reviewing of the internal control system lists.

As at the end of the Reporting Period, the Risk Control Committee comprises Prof. Li Jian (independent non-executive Director), Mr. Yao Gengsheng (non-executive Director) and Mr. Siu Chi Hung (independent non-executive Director), with Prof. Li Jian serving as the chairman. During the Reporting Period, the Risk Control Committee held 1 meeting and considered 1 proposal, i.e. Risk and Internal Control Summary in 2024, and no internal control deficiency was identified.

5.7 Board diversity policy

As required under the Corporate Governance Code, the Board has adopted the board diversity policy. The Company recognizes the importance of diversity of Board members to corporate governance and the effective function of the Board.

According to the board diversity policy, the Company will consider the diversity of Board members from different perspectives when determining the composition of the Board, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. The nomination and appointment of members of the Board will continue to be based on the principle of meritocracy and our daily business needs with due regard to the benefits of diversity of Board members. In view of the above, the knowledge and skills of Directors are well balanced, including knowledge and experience in business management, power generation, power system, finance, investment, auditing and accounting. They have obtained various professional degrees, including business administration, engineering, economics, law and accounting. At present, the Board believes that the Board maintains an appropriate balance in terms of diversity, and the Nomination Committee has set measurable objectives based on needs (including professional experience, skills, knowledge, gender, age, cultural and educational background, race and length of service, etc.) for the implementation of the board diversity policy. The Nomination Committee will review the relevant objectives on an annual basis to ensure their appropriateness and determine the progress made in achieving such objectives.

As at 31 December 2025, the Board consists of thirteen members, including three female Directors (including one executive Director, one non-executive Director and one independent non-executive Director). According to the board diversity policy, we will refer to international and local recommended best practices to ensure that appropriate balance is maintained in gender diversity of the Board. For the year ended 31 December 2025, female members of the Board accounted for approximately 23% of the total Board members. The Board is satisfied with the current representation of females among Board members, and will continue to review the proportion of female Board members with reference to the international and local recommended best practices. Male and female employees (including senior management members) accounted for 78.9% and 21.1% of the total employees of the Group, respectively. Among them, (i) male members of senior management account for 87.5%, and female members account for 12.5%; and (ii) male members of all employees (excluding senior management) account for 78.9%, and female members account for 21.1%. While the Group strives to achieve the goal of employee diversity to the maximum extent possible, with gender diversity taking into consideration in staff recruitment, there remains limitation due to the nature of the Company's business, which is to the most part physically demanding, and the industry is dominated by males. We will implement policies in recruitment to ensure gender diversity, so as to cultivate channels for female senior management and potential successors of the Board. In addition, we will implement a comprehensive plan aimed at identifying and training our female employees with leadership and potential.

For the year ended 31 December 2025, the Nomination Committee has reviewed the diversity of the Board, and considered that the Group has achieved the measurable objectives of the diversity policy in terms of professional experience, skills, knowledge, gender, age and length of service, and ensured that balance has been achieved in the Board in terms of skills, experience and diversity relevant to the Company's business. All Board members are appointed in line with the principle of meritocracy, and candidates are selected based on various diversity factors, including but not limited to the Company's needs, gender, educational background, professional experience, skills, knowledge, length of service, age, cultural background and race, as well as the independence provisions contained in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) (for independent non-executive Directors). The ultimate decision will be made based on the strengths of the relevant candidates and their contribution to the Board, taking into account the benefits to the diversity of Board members and the needs of the Board, and will not only focus on a single diversity aspect.

The Board has delegated the Nomination Committee to be responsible for observing the relevant code provisions in the Corporate Governance Code regarding the diversity of the Board. The Board will review the diversity policy each year to ensure its implementation and effectiveness.

Measurable objectives

For the purpose of implementation of the board diversity policy, the following measurable objectives were adopted:

- (i) Independence: The Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong element of independence in the Board. The independent non-executive Directors shall be of sufficient calibre and stature for their views to carry weight.
- (ii) Skills and experience: The Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors have a mix of finance, academic and management backgrounds that taken together provide the Company with considerable experience in a range of activities.
- (iii) Gender equality: The Board comprises three female Directors.

In addition to the above objectives, in order to comply with the Listing Rules, the board diversity policy has achieved the following objectives:

1. at least one third of the members of the Board shall be independent non-executive Directors;
2. at least five of the members of the Board shall be independent non-executive Directors; and
3. at least one of the members of the Board shall have obtained appropriate professional qualifications or accounting or related financial management expertise.

5.8 Independence of the Board

In order to ensure that the Board can obtain independent opinions and advice, the Company has formulated different policies (including the rules of procedure of the committees of the Board and the work system of independent non-executive Directors, etc.), including (but not limited to):

1. Independent non-executive Directors do not participate in the daily management of the Company;
2. Independent non-executive Directors shall perform their duties independently and shall not be influenced by the Company's substantial shareholders, actual controllers or other units or individuals materially interested in the Company;
3. Independent non-executive Directors must meet the following conditions: (a) to be qualified as Directors of the Company according to laws, administrative regulations and other relevant provisions; (b) to be independent as required, including the independence conditions stipulated in Rule 3.13 of the Listing Rules; (c) to have basic knowledge of the business of the Company and be familiar with relevant laws, administrative regulations, rules and regulations; (d) to have at least five years of legal, economic or other work experience necessary for performing the duties of independent non-executive Directors; and (e) other conditions stipulated in the Articles of Association or the Listing Rules;
4. The Audit Committee, Remuneration and Evaluation Committee, Nomination Committee and Risk Control Committee of the Board shall be provided with sufficient resources by the Company to perform their duties. If necessary, the relevant committees may engage an intermediary agency to provide professional advice for its decision-making process, at the Company's expenses.

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For the year ended 31 December 2025, 5 of the 13 members of the Board were independent non-executive Directors (accounting for approximately one third of the Board). The term of office of all independent non-executive Directors is three years. Throughout the year ended 31 December 2025, the Company has always complied with the provisions of Rules 3.10 and 3.10A of the Listing Rules on appointment of at least three independent non-executive Directors (accounting for at least one third of the Board members), and at least one of them possesses appropriate professional accounting and financial management expertise as stipulated in the Listing Rules. According to the Working Rules of Independent Non-executive Directors of the Company, each independent non-executive Director may not serve for six consecutive years to guarantee its independence.

The Company has received an annual confirmation from each independent non-executive Director on his/her independence. None of the independent non-executive Directors held any administrative or management positions in the Company, nor were they employed by any member of the Group. They each receive a fixed fee that is not linked to the Group's profit and performance. They provide independent opinions on matters related to strategy, policies, corporate performance and code of conduct. They strengthen the mix of skills, experience and diverse perspectives of Board. The Board considers that all independent non-executive Directors meet the independence guidelines as set out in Rule 3.13 of the Listing Rules.

6. SUPERVISORY COMMITTEE

On 6 November 2025, the Company convened its first extraordinary general meeting in 2025, where the abolition of Supervisory Committee was duly approved by the Shareholders at the meeting. All Supervisors resigned on the same day.

During the Reporting Period, the former Supervisory Committee of the Company held 2 meetings and reviewed and approved 10 proposals including the working report of the Supervisory Committee for 2024, the financial report on the final account for 2024, and the profit distribution proposal for 2024, etc.

Details of the attendance of each Supervisor in the Reporting Period for the meetings of the former Supervisory Committee during the Reporting Period are set out in the following table:

Supervisors	Meetings to be attended	Meetings attended	Attendance
Deng Ruipu	2	2	100%
Sun Hui	2	2	100%
Wang Meng	2	2	100%
Fu Ruoxue	2	2	100%
Su Lijiang	2	2	100%
Tian Wenwei	2	2	100%

7. JOINT COMPANY SECRETARIES

During the year ended 31 December 2025, Ms. Li Jia, the joint company secretary of the Company, was primarily responsible for the company secretarial work of the Company. Ms. Wong Wai Ling, former Director of the Technology and Practice Management Department of SWCS Corporate Services Group (Hong Kong) Limited, served as the other joint company secretary and assisted Ms. Li in performing her duties as company secretary. Ms. Li Jia was the main contact of Ms. Wong in the Company.

Both Ms. Li Jia and Ms. Wong have complied with the Rule 3.29 of the Listing Rules and participated in no less than 15 hours of relevant professional training during the Reporting Period.

8. INTERNAL CONTROL AND RISK MANAGEMENT

The Board recognizes that it is responsible for the Group's risk management and internal control system and reviews its effectiveness. Risk management and internal control measures are aimed at managing, rather than eliminating, the risk of failing to achieve business objectives, and can only provide reasonable but not absolute guarantee against major misstatements or losses.

The Board is responsible for establishing and maintaining a sound internal control and risk management system, and reviews its effectiveness on an annual basis. The Audit Committee is mainly responsible for inspecting, reviewing and supervising the Company's financial information and its reporting procedures, and the communication, supervision and verification of internal and external audits, as well as connected transaction control and daily management; the risk control committee is mainly responsible for the control, management, supervision and evaluation of the Company's risks. The Company also established an independent audit department to review the development and implementation of internal control and risk management systems. The audit department will conduct special audits on the weak link of the internal controls every year, sort out the internal control defects, and make recommendations for rectification, and continuously improve the internal control system through internal and external supervision and inspection to control the risks at a reasonable level.

The Board has reviewed the internal control and risk management systems during the Reporting Period, including the Company's resources in accounting and financial reporting functions, staff qualifications and experience, as well as the adequacy of training courses and budget. The Board believes that the Group's internal control and risk management systems are effective and adequate.

The Company has established procedures for identifying, handling and disseminating inside information in compliance with the SFO (Chapter 571 of the Laws of Hong Kong), including the issue of an inside information disclosure policy, the annual review and update (if necessary) of such inside information disclosure policy, pre-clearance on dealing in Company's securities by Directors, notification of regular blackout period and securities dealing restrictions to relevant Directors and employees have been implemented by the Company to guard against possible mishandling of inside information within the Group.

9. AUDITORS' REMUNERATION

During the year ended 31 December 2025, the audit service fee paid to the Company's auditors was approximately RMB1.88 million. During the year ended 31 December 2025, the auditors did not provide significant non-audit services to the Company.

10. INFORMATION DISCLOSURES

The Company has established procedures and internal controls for dealing with internal information disclosure, so as to standardize the Company's information disclosure behavior, ensure the fairness and integrity of information disclosure and protect the legitimate rights and interests of the Shareholders. According to the requirements of the Listing Rules, the information subject to disclosure by the Company for the year ended 31 December 2025 was published on the website of the Stock Exchange in a timely and effective manner.

11. DIRECTORS' RESPONSIBILITY REGARDING PREPARATION OF FINANCIAL REPORT

The Directors acknowledge its responsibility to prepare the Company's financial statements, ensure the Company's financial statements are prepared in accordance with relevant regulations and applicable accounting standards, and are published in due course.

The Directors take responsibility for supervising the preparation of financial reports. In the preparation of the financial statements for the year ended 31 December 2025, the Directors have adopted appropriate accounting policies and made prudent and reasonable judgments and estimates to give a true and fair view of the financial position and performance of the Group's during the Reporting Period.

A statement by the Company's auditor about its reporting responsibilities is included in the Auditors' Report of this annual report.

12. ARTICLES OF ASSOCIATION AND AMENDMENTS

The 2024 annual general meeting was held on 18 June 2025, at which the proposed amendments to the Company's articles of association were considered and approved, taking effect from 18 June 2025. On 6 November 2025, the Company convened its first extraordinary general meeting in 2025, where the amended articles of association were duly approved by the Shareholders at the meeting, with effect from 6 November 2025. For further details, please refer to the Company's circulars dated 24 April 2025, and 21 October 2025, as well as the announcements on the voting results dated 18 June 2025 and 6 November 2025.

13. DIVIDEND POLICY

The Company has adopted a dividend policy to ensure the provision of stable and sustainable returns to Shareholders. For details regarding the main factors considered by the Board when making dividend decisions and the Company's dividend policy, please refer to the section headed "Dividend Policy" of the "Report of the Board of Directors" in this annual report.

14. INVESTOR RELATIONS

The Company attaches great importance to investor relations activities. The Board and the management believe that investor relations can enhance mutual understanding between investors and the Company and enhance corporate governance, transparency and credibility. Since its listing, the Company has been focusing on providing accurate and timely information to investors, maintaining adequate communication with investors and continuously improving investor relations. We also believe that reporting to shareholders and establishing good investor relations are crucial. The Company actively establishes different communication channels with investors to keep them informed of the latest business developments and financial performance, including annual general meetings, publication of annual reports, announcements and circulars on the websites of the Stock Exchange and the Company, so as to maintain a high degree of transparency.

The annual general meeting of the Company provides opportunities for direct communication between Shareholders and Directors. The chairman of the Company and the chairmen of the committees of the Board will attend annual general meetings to answer questions from Shareholders. The Company's external auditors will also attend annual general meetings and answer questions on audit, preparation and content of auditors' report, accounting policies and independence of the auditors. The Company held an annual general meeting on 18 June 2025 for the financial year ended 31 December 2024.

In addition, the Company highly appreciates the feedback of investors and ensures that their opinions can reach the management through answering calls from investors.

In order to promote effective communication, the Company has adopted a Shareholder communication policy, aiming at establishing relationship and communication channel between the Company and its Shareholders, and has set up a website (<http://www.scntgf.com>), and the Company will make the latest data related to its business operation and development, financial data, corporate governance practices and other materials available to the public on the aforesaid website and the website of the Stock Exchange (www.hkexnews.hk). The Company also maintains investor inquiry channels. Shareholders who wish to make inquiries about the Company to the Board may resort to the following channels, and the Company will respond to relevant inquiries in an appropriate way and in a timely manner:

Address: No. 789, Renhe Road, Wenjiang District, Chengdu City, Sichuan Province, the PRC

Telephone number: +86 (28) 86299666

Fax: +86 (28) 86299666

E-mail: db@scntgf.com

Company website: <http://www.scntgf.com>

In the future, the Company will continue to promote investor relationship management and strengthen communication with Shareholders and potential investors.

For the year ended 31 December 2025, the Board reviewed the implementation and effectiveness of the Shareholder communication policy of the Company, and confirmed that the Company has established communication channels to provide Shareholders and investors with timely information on the latest development of the Group.



Corporate Governance Report

15. OUR CULTURE

The Company has been committed to the guiding role of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, deeply practices Xi Jinping's Thought on Culture, and integrates corporate culture into the whole process of management, ideological and political and spiritual civilization construction. The Company has been systematically strengthened the construction of corporate culture, and enhanced the corporate brand value by reinforcing publicity and guidance, selecting models and building strong cultural fronts. It has been awarded the national "AAA Creditable Enterprise in Enterprise Credit Evaluation", "Enterprise with Integrity" in Sichuan Province, "Tianfu Comprehensive Reform Enterprise" A-level (benchmark) and other titles. It has also successfully established two demonstration site of "four focuses and high quality development" grassroots ideological and political work for state-owned enterprises in the Party Committee system of Sichuan State-owned Assets Supervision and Administration Commission, and nurtured the brand of "Passing on the Torch to Brighten Up the Future with Electricity" which won the "Top Ten Cultural Brands of Sichuan State-owned Enterprises" Excellence Award. The situational drama, based on the emergency response to the "February 8" Junlian landslide, won the second prize in the Sichuan Provincial Rescue Team Style Presentation Competition. Through innovative approaches in ideological and political work, the special research project titled "Exploration of Ideological and Political Empowerment for Development in Energy and Power Enterprises under the 01713 Energy 'Brightness' System" was successfully recognized as an Outstanding Corporate Culture Case of Sichuan State-Owned Enterprises and was awarded the "2024-2025 Innovative Case in Ideological and Political Work" by the Sichuan Provincial Association for Ideological and Political Work Research. It has built the "Brightening the Five Stars under the Leadership of the Party" party building brand matrix and has been awarded honorary titles such as the "First Batch of Demonstration Enterprises in the Sichuan Tianfu State-owned Enterprise Party Building Demonstration". The Company fully tapped the role of Party members and the masses, actively organized and carried out various and vivid corporate culture activities, and the Company's staff library was awarded the title of "National trade Union Staff Library Demonstration Site", which further enhanced the sense of identity and belonging of management members and employees, created a sound atmosphere of joint efforts and passion to win. Meanwhile, focusing on building a high-skilled talent aggregation platform, the Company has established the "Yibin Wei Xin Electrician Skills Master Studio", which was included in the list of the 2024 Yibin Municipal Skills Master Studio Construction Projects and provided strong cultural support and ideological guarantee for promoting the Company's high-quality development.

Details of the Company's mission, vision and values, as well as related initiatives, can be found in "Corporate Culture" under "About Us" and "News" on the Company's website and the 2025 Environmental, Social and Governance Report.

Directors and Senior Management

Set out below are details of the Directors and senior management as of the date of this annual report:

DIRECTORS

Name	Age	Position
He Jing	49	Executive Director, Chairman, Chairman of the Nomination Committee
Wang Yuanchun	50	Executive Director, Deputy Chairman
Xie Peixi	44	Executive Director, Chairwoman of the Labor Union
Yao Gengsheng	60	Non-executive Director, Member of the Risk Control Committee
Xie Beidi	31	Non-executive Director, Member of the Audit Committee
Xia Long	37	Non-executive Director
Gao Bin	51	Non-executive Director, Member of the Remuneration and Evaluation Committee
Chen Yan	45	Non-executive Director
Siu Chi Hung	54	Independent Non-executive Director, Chairman of the Audit Committee, Member of the Risk Control Committee
Li Jian	41	Independent Non-executive Director, Chairman of the Risk Control Committee, Member of the Audit Committee
Mou Yingshi	64	Independent Non-executive Director, Member of the Nomination Committee, Member of the Remuneration and Evaluation Committee
Chen Chuan	50	Independent Non-executive Director, Chairman of the Remuneration and Evaluation Committee
He Yin	50	Independent Non-executive Director, Member of the Nomination Committee

SENIOR MANAGEMENT

Name	Age	Position
Wang Yuanchun	50	General Manager
Ding Daijun	57	Deputy General Manager
Lin Xuechuan	55	Deputy General Manager
You Xiao	56	Deputy General Manager
Chen Hanguang	45	Deputy General Manager
Li Bi	46	Chief Accountant
Wang Xu	57	Chief Engineer
Peng Wanzhang	53	Chief Economist



Directors and Senior Management

I. MEMBERS OF THE BOARD OF DIRECTORS

Mr. He Jing, aged 49, currently serves as the chairman of the Board, an executive Director and chairman of the nomination committee of the Group. Mr. He Jing is a senior economist, with a bachelor's degree in law from Southwest University of Political Science & Law and a master degree from Southwest Petroleum University. Mr. He has been the Secretary of the Party's Committee of the Company since February 2023. Before joining the Company, Mr. He served as clerk and assistant judge in Mianyang Intermediate People's Court (綿陽市中級人民法院) from August 1998 to July 2002. From July 2002 to June 2012, he worked in several positions in the General Office of the Communist Party Committee of Sichuan Province (中共四川省委辦公廳), including deputy chief of the inspection office, chief of the inspection office and secretary of the Communist Youth League under the institution. From June 2012 to July 2012, he served as a member of the gas preparatory team of Sichuan Energy Investment Group Co., Ltd.* (四川省能源投資集團有限責任公司). From July 2012 to January 2021, he worked in several positions in Sichuan Natural Gas Investment Co., Ltd.* (四川省天然氣投資有限責任公司), including director, head of administration department, employee director, member of the Party's Committee, president of union, chairman and legal representative. From July 2013 to December 2013, he also served as the director, general manager and legal representative of Sichuan Natural Gas Mianyang Gas Co., Ltd.* (四川省天然氣綿陽燃氣有限責任公司). From November 2013 to February 2021, he served as the chairman of Sichuan Hongran Green Energy Co., Ltd.* (四川省虹然綠色能源有限責任公司). From October 2014 to February 2021, he also served as the director of Sichuan Natural Gas Jiangyou Gas Co., Ltd.* (四川省天然氣江油燃氣有限責任公司). From April 2016 to February 2021, he also served as the chairman of Sichuan Natural Gas Fuhui Gas Co., Ltd.* (四川省天然氣富匯燃氣有限責任公司). Since November 2018, he has also served as a supervisor in HSIG Limited (香港天冉國際集團有限公司). From November 2020 to February 2023, he served as Secretary of the Party's Committee, chairman, legal representative and preparatory team leader in Sichuan Natural Gas Investment Group Co., Ltd.* (四川省天然氣投資集團有限責任公司). Mr. He has been serving as Secretary of the Party's Committee of the Company since February 2023 and a director of Sichuan Province Hydropower Investment and Management Group Co., Ltd.* (四川省水電投資經營集團有限公司).

Mr. Wang Yuanchun, aged 50, is currently an executive Director, vice chairman, general manager and deputy secretary of the Party Committee of the Group. Mr. Wang is a senior engineer with a bachelor's degree of administrative management from China Central Radio & TV University* (中央廣播電視大學). He obtained the first-level/senior technician professional qualification certificate issued by the Ministry of Human Resources and Social Security of China in October 2014. Before joining the Group, he worked at Yibin County Gaosheng Hydropower Management Station* (宜賓縣高昇水電管理站) from June 1991 to March 1999, and he served as the head of station in Yibin County Kongtan Comprehensive Management Station* (宜賓縣孔灘綜合管理站), the leader and the squad leader of Gaosheng marketing group in Yibin Changyuan Electric Power Company Baihua Power Supply Station* (宜賓長源電力公司白花供電所), the deputy head and the chairman of the trade union in Sichuan Changyuan Electric Power Co., Ltd. Lichang Power Supply Station* (四川長源電力股份公司李場供電所), the deputy head in Sichuan Hydropower Investment & Management Group Yibin Changyuan Electric Power Company Baihua Power Supply Station* (四川省水電投資經營集團宜賓長源電力公司白花供電所) from March 1999 to August 2001, August 2001 to March 2004, March 2004 to February 2006 and February 2006 to June 2011, respectively, and the deputy manager in Sichuan Hydropower Group Meigu Electric Power Co., Ltd.* (四川省水電集團美姑電力有限公司), an executive director in Meigu Jinhe Development Co., Ltd.* (美姑金禾開發有限公司) from June 2010 to June 2012 and June 2012 to November 2013, respectively. Mr. Wang joined the Group in November 2013 and served as deputy general manager, party secretary, executive director and general manager of Sichuan Energy Investment Junlian Electric Power Co., Ltd.* (四川能投筠連電力有限公司) from November 2013 to September 2014, September 2014 to September 2021 and September 2014 to June 2017 respectively. Mr. Wang also served as the secretary of the Party Committee and an executive director of Sichuan Energy Investment Yibin Electric Power Engineering Construction Co., Ltd.* (四川能投宜賓電力工程建設有限公司) from September 2017 to January 2020, the deputy general manager of the Company from June 2016 to December 2023, and a member of the Party Committee of the Company from July 2016 to December 2023.



Directors and Senior Management

Ms. Xie Peixi, aged 44, is currently an executive Director, the deputy secretary of party committee and the chairwoman of labor union of the Group and joined the Group in January 2019. Ms. Xie is a political analyst (政工師) with a bachelor's degree of law from Chengdu University of Information Technology* (成都信息工程學院). Before joining the Group, she once worked in Dazhou Urban Planning and Construction Management Supervisory Branch* (達州市城市規劃建設管理監察支隊) from December 1999 to April 2000. Ms. Xie successively served as the director of Dazhou Women's Association in Joint Law Enforcement Branch for Urban Management* (達州市城市管理聯合執法支隊婦女會) from May 2004 to July 2007, the secretary of communist youth league, vice chairwoman of labor union, and the director of female worker committee and the director of labor union office in Sichuan Province Hydropower Investment and Management Group Co., Ltd. from April 2008 to March 2019, May 2015 to March 2019 and December 2015 to March 2017, respectively, a director of staff and the chairwoman of labor union in Sichuan Energy Investment Power Sale Co., Ltd.* (四川能投售電有限責任公司) from November 2016 to January 2019.

Mr. Yao Gengsheng, aged 60, is currently a non-executive director and member of the Risk Control Committee. He joined the Group in June 2025. Mr. Yao is a senior engineer with master's degree in business administration from University of Science and Technology of China. Mr. Yao currently serves as a full-time director of China Power International Development Limited ("China Power", a company listed on the Stock Exchange, Stock Code: 2380.HK). Mr. Yao previously served at Pingwei Power Plant Company* (平圩發電公司) from July 1988 to March 2016, holding successive positions as Deputy Director of the Commercial Department, Deputy Director of the Marketing Department, Secretary and Deputy Director of the Marketing Department, Secretary and Deputy Director of the Planning & Operations Department, Director of the Planning & Operations Department, and Marketing Director. Since March 2016, he served consecutively as the deputy general manager of the production & operations department, deputy general manager of the electricity distribution and sales & integrated energy department, deputy general manager of the marketing department, general manager of the marketing department, and the special duty director of China Power. Between October 2023 and September 2024, Mr. Yao served as the level three consultant of Anhui Huainan Pingwei Power Generation Co., Ltd.* (安徽淮南平圩發電有限責任公司). Since September 2024, Mr. Yao has been serving as a full-time director of China Power International Development Limited.

Ms. Xie Beidi, aged 31, is currently a non-executive director and member of the audit committee. She joined the Group in June 2025. Ms. Xie is an economist with a Master's degree in Finance from the University of Glasgow in the United Kingdom. Ms. Xie currently serves as a senior investment manager in the investment department III of Three Gorges Capital Holdings Co., Ltd.* (三峽資本控股有限責任公司). Since December 2017, Ms. Xie has held successive positions at Three Gorges Capital, including analyst, senior analyst, investment manager in the investment management department, and investment manager of the investment department III. Since April 2025, she has been serving as a senior investment manager of the investment department III.

Mr. Xia Long, aged 37, is currently a non-executive director and joined the Group in June 2025. Mr. Xia is an assistant engineer with a bachelor's degree in engineering. Mr. Xia consecutively served as an officer at the Nanxi County Environmental Monitoring Station* (南溪縣環境監測站), a deputy director at the Yibin Nanxi District Environmental Information Emergency Center* (宜賓市南溪區環境信息應急中心), deputy director of the general office of Yibin Science and Education Group Corporation* (宜賓市科教集團公司), director of the general office of Yibin State Owned Assets Management Co., Ltd. (宜賓市國有資產經營有限公司), assistant to the general manager, director of the integrated department and chief executive officer of Yibin Development Holding Group Co., Ltd. (宜賓發展控股集團有限公司). During the period, he concurrently served as the party branch secretary, chairman, and general manager of Yibin Development Land Co., Ltd.* (宜賓發展置地有限公司); party branch secretary and executive director of Sichuan Changjiang Industrial-Financial Think Tank Consulting Co., Ltd. (四川長江產融智庫諮詢有限公司); and professional manager of the Jiudong Village Shareholding Economic Cooperative Union (九洞村股份經濟合作聯合社) in Lizhuang Town, Cuiping District, Yibin City. He currently holds the position of deputy general manager of Yibin Development Holding Group Co., Ltd.* (宜賓發展控股集團有限公司).



Directors and Senior Management

Mr. Gao Bin, aged 51, currently serves as a non-executive Director and member of the Remuneration and Evaluation Committee, and joined the Group in August 2024. Mr. Gao graduated from Southwest University of Political Science & Law majoring in law in December 1999. Mr. Gao is currently the deputy general manager and a director of Gao County Development and Investment Group Company Limited* (高縣發展投資集團有限責任公司). He served as the chairman of the supervisory committee of Gao County Development and Investment Group Company Limited from June 2021 to September 2024, and has served as the deputy general manager of Gao County Development and Investment Group Company Limited since September 2024 and a director of Gao County Development and Investment Group Company Limited since December 2024. Prior to that, Mr. Gao worked at the Jiang'an Highway Transportation Management Office* (江安公路運輸管理所) between July 2001 and August 2003; served as the deputy director of the Gao County Transportation Management Office Yuejiang Transportation and Management Station (高縣運輸管理所月江運管站) between August 2003 and April 2012, served as the captain of the Gao County Highway Administration Management Brigade (高縣公路路政管理大隊) between April 2012 and September 2020; and served as the deputy general manager of Gao County Fuxi Industrial Concentration Zone Investment Development Co., Ltd.* (高縣福溪工業集中區投資開發有限公司) between October 2020 and May 2021.

Mr. Chen Yan, aged 45, is currently a non-executive director and joined the Group in November 2025. Mr. Chen holds an MBA degree with a specialization in Finance and currently serves as the Investment Director and Licensed Business Responsible Officer at Tianqi Lithium Corporation. Mr. Chen served as an Education Officer at the British Consulate-General's Cultural and Education Section from November 2003 to January 2007. From January 2007 to March 2010, he worked as a Senior Auditor at PricewaterhouseCoopers. Subsequently, from November 2010 to May 2023, Mr. Chen served as a director at China Renaissance Capital Investment (formerly part of Credit Suisse). Since May 2023, he has been serving as the Investment Director and Licensed Business Responsible Officer at Tianqi Lithium Corporation.

Mr. Siu Chi Hung, aged 54, currently serves as an independent non-executive Director, chairman of the Audit Committee and member of the Risk Control Committee, and joined the Group in August 2024. Mr. Siu graduated from the Chinese University of Hong Kong with a bachelor's degree in Business Administration in May 1994. Mr. Siu is currently a non-practising member of the Hong Kong Institute of Certified Public Accountants and a member of the Hong Kong Independent Non-Executive Director Association. He was formerly a member of the American Institute of Certified Public Accountants. Mr. Siu obtained the qualification certificate of independent directors for listed companies (上市公司獨立董事資格證書) from the Shenzhen Stock Exchange and the Shanghai Stock Exchange in February 2021 and August 2025. Mr. Siu has over 30 years of accounting and corporate governance experience. Mr. Siu joined KPMG (Hong Kong) in August 1994 as an accountant and became a partner in July 2008. He was the principal partner of Real Estate of KPMG (China) and the principal partner of Capital Markets Development, Southern China of KPMG (China) before his retirement from KPMG (China) in June 2018. Mr. Siu is currently an independent non-executive director of Bank of Zhengzhou Co., Ltd.* (鄭州銀行股份有限公司) (a company listed on Shenzhen Stock Exchange and the Stock Exchange, stock codes: 2936SZ & 6196HK), an independent non-executive director of Intsig Information Co., Ltd. (a company listed on Shanghai Stock Exchange, stock code: 688615), an independent non-executive director of China Gas Industry Investment Holdings Co. Ltd. (a company listed on the Stock Exchange, stock code: 1940) and an independent non-executive director of China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司) (a company listed on Shanghai Stock Exchange and the Stock Exchange, stock codes: 601068SH & 2068HK). Mr. Siu was an executive director of LVGEM (China) Real Estate Investment Company Limited (綠景(中國)地產投資有限公司) (a company listed on the Stock Exchange, stock code: 0095) from September 2019 to September 2021, an independent non-executive director of Roiserv Lifestyle Services Co., Ltd. (榮萬家生活服務股份有限公司) (a company listed on the Stock Exchange, stock code: 2146) from April 2020 to July 2022, an independent non-executive director of Central China Management Company Limited (中原建業有限公司) (a company listed on the Stock Exchange, stock code: 9982) from May 2021 to May 2024, an independent non-executive director of MicroPort NeuroTech Limited (微創腦科學有限公司) (a company listed on the Stock Exchange, stock code: 2172) from June 2022 to June 2024 and an independent non-executive director of Dongjiang Environmental Company Limited* (東江環保股份有限公司) (a company listed on Shenzhen Stock Exchange and the Stock Exchange, stock codes: 2672SZ & 895HK) from December 2020 to June 2025.

Prof. Li Jian, aged 41, is currently an independent non-executive Director, chairman of the Risk Control Committee and member of the Audit Committee, and joined the Group in August 2021. Prof. Li holds a PhD in detection technology and automation devices from the University of Electronic Science and Technology* (電子科技大學) in China. Prof. Li is currently a professor at the School of Mechanical and Electrical Engineering of the University of Electronic Science and Technology. Before joining the Group, he was an associate professor in the School of Energy Science and Engineering of the University of Electronic Science and Technology from 2014 to 2017, a candidate-to-be of the Sichuan Province Academic and Technical Leaders, a member of the 13th Five-Year Plan of Sichuan Province in the field of new energy, a senior member of the Institute of Electrical and Electronics Engineers (IEEE) (as a guest editor of the IET). In December 2023, he served as the deputy director of Key Laboratory of Low-carbon Smart Power Energy System in Sichuan Province.

Mr. Mou Yingshi, aged 64, is currently an independent non-executive Director, member of the Nomination Committee and member of the Remuneration and Evaluation Committee, and joined the Group in August 2024. Mr. Mou graduated from (i) the Sichuan Education College (四川教育學院) after completing a full-time study program majoring in political education in July 1987; (ii) the Sichuan College of Business Administration (四川省工商管理學院) in July 2002, after completing graduate studies in business administration; and (iii) the Sichuan Normal University (四川師範大學) with a bachelor's degree in law after passing the self-taught higher education exam (高等教育自學考試) in June 2006. Mr. Mou is a senior economist accredited by the China National Petroleum Corporation Senior Technical Position Review Committee (中國石油天然氣集團公司高級技術職務評審委員會) in May 2008. Mr. Mou has over 21 years of experience in the fields of law and corporate management. Mr. Mou worked at China National Petroleum Corporation Southwest Oil and Gas Field Branch* (中國石油天然氣股份有限公司西南油氣田分公司) in June 2003, and successively served as the deputy director of the Corporate Management and Regulations Department (企管法規處), director of the Corporate Management and Internal Control Department (企管與內控處), and director of the Corporate Management and Regulations Department (企管法規處) (formerly the director of the Internal Control and Risk Management Department (內控與風險管理處) before the internal restructuring) before his retirement in March 2018. Prior to the aforesaid, Mr. Mou served as a driller under the Sichuan Petroleum Administration Bureau Chuan Xinan Mining Area (四川石油管理局川西南礦區) between September 1980 and October 1989. Between October 1989 and February 1992, Mr. Mou served as the union officer, publicity officer and assistant political engineer of Sichuan Petroleum Administration Bureau Chuan Xinan Mining Area Drilling Company (四川石油管理局川西南礦區鑽井公司). Mr. Mou then served as the organizational officer of Sichuan Petroleum Administration Bureau Chuan Zhong Oil and Gas Company Transportation Company* (四川石油管理局川中油氣公司運輸公司) between February 1992 and September 1997 and served as the deputy director of the corporate management and regulations department (企管法規部) of Sichuan Petroleum Administration Bureau Chuan Zhong Oil and Gas Company* (四川石油管理局川中油氣公司) between September 1997 and October 1999. Mr. Mou worked at China National Petroleum Corporation Southwest Oil and Gas Field Branch Chuan Zhong Oil and Gas Mine* (中國石油天然氣股份有限公司西南油氣田分公司川中油氣礦) and served as the deputy director of the corporate management and regulations department (企管法規部) between October 1999 and March 2000 and as the director of the corporate management and regulations department (企管法規部) and economist between March 2000 and June 2003. Mr. Mou was appointed as the Management and Innovation Achievement Review Expert (管理創新成果評審專家) of China National Petroleum Corporation (中國石油天然氣集團) for the period between 2017 and 2019. Mr. Mou was further awarded the titles of Advanced Individual in the field of Legal Affairs for the years 2000 to 2002 (2000-2002年度法律工作先進個人) by Petrochina Company Limited (中國石油天然氣股份有限公司) in February 2003 and Advanced Individual of Management Enhancement Activities (管理提升活動先進個人) by China National Petroleum Corporation (中國石油天然氣集團公司) in May 2014. In addition, Mr. Mou served as a visiting professor at the Corporate Legal Risk Prevention and Control Research Center (企業法律風險防控研究中心) of Southwest University of Political Science & Law (西南政法大學) for five years from March 2017 and as a visiting professor at the School of Economics of Southwest University of Political Science & Law (西南政法大學) between March 2017 and February 2020.



Directors and Senior Management

Mr. Chen Chuan, aged 50, is currently an independent non-executive Director and chairman of the Remuneration and Evaluation Committee, and joined the Group in August 2024. Mr. Chen graduated from (i) the civil engineering department of Tsinghua University (清華大學) with a bachelor's degree in construction management engineering in July 1999; (ii) the civil engineering department of the National University of Singapore and obtained a master's degree in infrastructure systems and management in January 2003; (iii) the Melbourne Business School and obtained a master's degree in applied finance in August 2011; and (iv) the Pennsylvania State University with a doctor of philosophy in architectural engineering in December 2005. Mr. Chen is currently (i) (since July 2012) a professor of engineering management, doctoral supervisor, and director of the Infrastructure Investment and Operation Research Center at the Business School of Sichuan University (四川大學商學院); (ii) (since May 2015) the founder and general manager of Roca Infrastructure Data & Analytics Co., Ltd. (成都羅卡基建商務信息諮詢有限公司), a company which primarily engaged in providing consultation services in relation to infrastructure investment and financing, project development and operation. Prior to the above, Mr. Chen served as the business manager assistant of Cleveland Bridge & Engineering Company between July 1998 and June 1999. Between January and December 2006, Mr. Chen was a lecturer of the construction management department of Qinghua University. Subsequently, between January 2007 and July 2012, Mr. Chen served as the lecturer of engineering management in the School of Architecture of the University of Melbourne. He served as an independent director of Sichuan Joyou Digital Technologies Co., Ltd.* (四川君逸數碼科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 301172) from January 2019 to July 2024. Mr. Chen is currently an expert of the Decision-making Consultation Think Tank of the Chengdu Finance Bureau (成都市財政局決策諮詢智庫), and an industrial development advisor of Ziyang city (資陽市產業發展顧問). He was formerly a member of the American Society of Civil Engineer, a consultant of the Public-Private Infrastructure Advisory Facility (PPIAF), a counsellor of the Society of Management Science and Engineering of China (中國管理科學與工程學會), an expert of the PPP Experts Database of both the National Development and Reform Commission and the Ministry of Finance (國家發改委和財政部的PPP專家庫) and a vice president of China Association of International Engineering Consultants (CAIEC), Ministry of Commerce.

Ms. He Yin, aged 50, currently serves as an independent non-executive Director and member of the Nomination Committee, and joined the Group in April 2023. She graduated from the School of Economics, Peking University in July 1998 and obtained a bachelor's degree in economics. Subsequently, she obtained a master's degree and a doctoral degree from University of Colorado Boulder majoring in economics in 2000 and 2004, respectively. Ms. He has been working in several positions in the School of International Trade and Economics, University of International Business and Economics since September 2009, including assistant professor from September 2009 to April 2011; associate professor from April 2011 to December 2017. Ms. He has been serving as a professor in the School of International Trade and Economics, University of International Business and Economics since December 2017. Before joining the University of International Business and Economics, Ms. He served as a research assistant, from August 1998 to August 2001 and from August 2003 to August 2004; a teaching assistant from August 2000 to August 2001; a graduate part-time instructor from August 2001 to August 2003; and a visiting scholar from January 2008 to February 2009 in the School of Economics, University of Colorado. From October 2003 to February 2004, she served as an assistant analyst in Jack Anthony Group, Inc. From February 2005 to February 2006, she served as a project consultancy researcher in the World Bank. From August 2004 to April 2008, she served as an assistant professor in the National School of Development, Peking University (北京大學國家發展研究院) (previously known as the China Centre for Economic Research, Peking University (北京大學中國經濟研究中心)). From May 2005 to December 2008, she was a researcher of the National Economic Research Institute, China Reform Foundation (中國經濟改革研究基金會國民經濟研究所). From March 2009 to September 2009, she served as an economist in Beijing Finance & Economics Magazine Agency Co., Ltd. (北京《財經》雜誌有限公司). Ms. He served as an independent director and the chairperson of risk control committee of Baoying Fund Management Co., Ltd. since May 2023.

II. MEMBERS OF SENIOR MANAGEMENT

Mr. Wang Yuanchun, aged 50, joined the Group in November 2013 and is currently an executive Director, the deputy chairman, the general manager and the deputy secretary of the Party Committee of the Group. For details of biography of Mr. Wang Yuanchun, please see the section headed “I. Members of the Board of Directors”.

Mr. Ding Daijun, aged 57, is currently deputy general manager of the Group and joined the Group in October 2011. Mr. Ding is an assistant engineer with a bachelor’s degree in chemical equipment and machinery from Sichuan University of Science & Engineering* (四川輕化工學院). Before joining the Group, he served as a deputy manager and the deputy secretary of party branch in Junlian Power Supply Co., Ltd.* (筠連供電有限責任公司) from June 2000 to September 2007, and the general manager in Hydropower Group Junlian Electric Power Company* (水電集團筠連電力公司) from September 2007 to January 2013, and the general manager in Energy Investment Junlian Company* (能投筠連公司) from January 2013 to July 2014.

Mr. Lin Xuechuan, aged 55, is currently deputy general manager and safety director of the Group and joined the Group in October 2011. Mr. Lin is an assistant political engineer and assistant engineer, and holds a college diploma in economic management from the Correspondence College of the Party School of the Sichuan Provincial Committee of the Communist Party of China* (中共四川省委黨校函授學院). Before joining the Group, he successively served as deputy section chief of the supply section of Gao County Laifu Hydropower Station Project Construction Command (高縣來複水電站工程建設指揮部), secretary of the party branch and deputy station manager of the power station of Sichuan Gao County Water Resources and Electricity Bureau* (四川省高縣水利電力局), director of administrative office of Sichuan Gao County Power Co., Ltd.* (四川省高縣電力總公司), supervisor, assistant to general manager and director of human resources department of Gao County Power Co., Ltd. of Sichuan Hydropower Group* (四川省水電集團高縣電力有限公司) from July 1998 to April 2001, from April 2001 to February 2007, from February 2007 to July 2008, from July 2008 to April 2011, and from April 2011 to July 2011, respectively. He served as deputy general manager, secretary of the general party branch, executive director and general manager of Sichuan Energy Investment Gao County Electricity Co., Ltd.* (四川能投高縣電力有限公司) from July 2011 to July 2016; member of the party committee of Sichuan Energy Investment Development Co., Ltd.* (四川能投發展股份有限公司) and secretary of the general party branch, executive director and general manager of Sichuan Energy Investment Gong County Electricity Co., Ltd.* (四川能投珙縣電力有限公司) from July 2016 to April 2017; member of the party committee of Sichuan Energy Investment Development Co., Ltd. and secretary of the general party branch, executive director and general manager of Sichuan Energy Investment Xingwen Electricity Co., Ltd.* (四川能投興文電力有限公司) from April 2017 to April 2018; member of the party committee and assistant to the general manager of Sichuan Energy Investment Development Co., Ltd. and secretary of the party committee and executive director (legal representative) of Sichuan Energy Investment Yibin Electricity Co., Ltd.* (四川能投宜賓電力有限公司) from June 2019 to September 2021; safety director of Sichuan Energy Investment Development Co., Ltd. since September 2022; and secretary of the party committee and executive director (legal representative) of Sichuan Energy Investment Gao County Electricity Co., Ltd. and secretary of the party branch and executive director (legal representative) of Sichuan Energy Investment Gao County Integrated Energy Co., Ltd.* (四川能投高縣綜合能源有限公司) from April 2023 to September 2025.



Directors and Senior Management

Mr. You Xiao, aged 56, is currently a deputy general manager of the Group and joined the Group in May 2019. Mr. You is an economist with a bachelor's degree of finance from China Central Radio & TV University* (中央廣播電視大學). He has served as the deputy general manager of the Company since May 2019. Before joining the Group, he served as the director of Xinhua Savings Office in Shudu Branch of Bank of China, the director of Luoma Savings Office in Chengdu Branch of Bank of China, the director of Ximapeng Sub-office in Chengdu Qingyang Sub-branch of Bank of China, the director of Chengbei Sub-office, the director of business development department of Bank of China, the director of business division in Jinniu Branch of Bank of China, the governor of High-tech Industrial Development Zone Sub-branch, the director of Industrial and Trade Section in Business Division of Sichuan Branch of Bank of China from February 1990 to October 1991, October 1991 to March 1993, April 1994 to October 1994, October 1994 to April 2001, April 2001 to December 2001, December 2001 to August 2002, August 2002 to May 2003 and May 2003 to June 2005. A deputy director of business division, a deputy senior manager of business department in Bank of Communications, Chengdu Branch, a deputy senior manager of Business Development Department (in charge of affairs) and a senior manager of Key Account Department in Bank of Communications, Sichuan Branch, from July 2005 to January 2006, January 2006 to April 2009, April 2009 to May 2010, and May 2010 to November 2011. A deputy general manager, an executive deputy general manager, a director, the secretary of party branch, the general manager of Chengdu Small Enterprises Credit Guarantee Co., Ltd.* (成都小企業融資擔保有限責任公司) from December 2011 to July 2014, July 2014 to September 2014, September 2014 to November 2014, November 2014 to January 2015 and January 2015 to May 2017. The general manager, the secretary of party branch and an executive director of Western Asset Management (Shenzhen) Co., Ltd.* (西部資產管理(深圳)有限公司) from August 2017 to December 2017, December 2017 to March 2018, and March 2018 to May 2019, respectively.

Mr. Chen Hanguang, aged 45, is currently a deputy general manager of the Group and joined the Group in January 2021. Mr. Chen has a bachelor's degree in Business Administration from Central Television University in China. He has successively served as deputy branch secretary of the party committee, deputy manager of the human resources department, branch secretary of the party committee, manager of the human resources department, manager of the general department and secretary of the board of directors, and assistant to the general manager of Sichuan CPI Fuxi Power Company Limited* (四川中電福溪電力開發有限公司) from July 2013 to November 2014, from November 2014 to June 2015, from June 2015 to December 2017, from December 2017 to July 2018, from July 2018 to June 2020 and from June 2020 to January 2021.

Ms. Li Bi, aged 46, is currently the chief accountant of the Group and joined the Group in October 2011. Ms. Li is a senior accountant with a bachelor's degree of management majoring in accounting from Southwestern University of Finance and Economics* (西南財經大學). Ms. Li is currently the chief accountant of the Company and a director of Sichuan Energy Investment Electricity Energy Co., Ltd.* (四川能投電能有限公司). She served as a project manager of the audit department in ShineWing Certified Public Accountants (LLP) Chengdu Branch* (信永中和會計師事務所(特殊普通合夥)成都分所) from July 2009 to July 2010, a temporary principal and the deputy head of the financial and assets department in the Company from October 2011 to December 2012 and December 2012 to August 2013, respectively and the chief accountant of Sichuan Energy Investment Electricity Energy Co., Ltd. from August 2017 to September 2021.



Directors and Senior Management

Mr. Wang Xu, aged 57, is currently the chief engineer of the Group and joined the Group in May 2013. Mr. Wang is a senior engineer with a bachelor's degree of electric power system and automation from University of Science and Technology of Chengdu* (成都科技大學). He has served as the chief engineer of the Company since June 2019. Before joining the Group, he served as the director of the distribution center in Yibin Electric Power Bureau* (宜賓電業局調度中心), a senior engineer for line loss management of Yibin Electric Power Bureau* (宜賓電業局調變損管理), a senior engineer in Yibin Electric Power Bureau Meiyi Leasing Company* (宜賓電業局美宜租賃公司), a senior engineer for consultation and power transformation design in Yibin Electric Power Bureau and Design Institute* (宜賓電業局設計院), a director and consulting engineer in Yibin Electric Power Bureau and Design Institute, and senior engineer for electric network planning and management in Institute of Power Economics and Technology of Yibin Electric Power Bureau* (宜賓電業局電力經濟技術研究所) from November 2001 to August 2003, August 2003 to April 2004, April 2004 to July 2005, July 2005 to January 2009, January 2009 to September 2012, and September 2012 to May 2013, the director of distribution and operation department, an assistant general manager, a deputy chief engineer, the director of investment and development department and the director of production and technology department in the Company from May 2013 to February 2014, February 2014 to July 2014, July 2014 to March 2015, March 2015 to July 2016, and July 2016 to June 2019.

Mr. Peng Wanzhang, aged 53, is currently the chief economist of the Group and joined the Group in February 2012. Mr. Peng is a senior engineer with a bachelor's degree of economic management in Party School of Sichuan Committee of C.P.C.* (四川省委黨校). Mr. Peng currently serves as the chief economist of the Group. Before joining the Group, he served as the superintendent in Luochang Power Supply Station of Gao County Power Co., Ltd.* (高縣電力總公司羅場供電所) in Sichuan Province, and a deputy manager, a manager and a member of party committee in rural power company from October 2000 to December 2001, December 2001 to June 2003, June 2003 to January 2007 and January 2007 to July 2008, a deputy general manager and a director in Gao County Power Co., Ltd. of Sichuan Hydropower Group and the secretary of party committee, a director and the chairman (legal representative) in Degegesaer Power Co., Ltd. of Sichuan Hydropower Group from July 2008 to June 2011 and from June 2011 to July 2014, respectively. He served as the secretary of party committee, an executive director and the general manager in Sichuan Energy Investment Yibin Power Engineering Construction Co., Ltd.* (四川能投宜賓電力工程建設有限公司) from May 2015 to September 2017, served as the secretary of the party committee and an executive director in Pingshan Electricity from September 2014 to November 2020, and served as an assistant general manager of the Company from July 2014 to June 2019, respectively. He served as a branch secretary of the party committee, director, chairman of the board and general manager of Sichuan Energy Investment Electricity Energy Co., Ltd.* (四川能投電能有限公司) from April 2017 to September 2021.

Auditor's Report

AUDIT REPORT

KPMG Huazhen Shen Zi No. 2607051

To the shareholders of Sichuan Energy Investment Development Co., Ltd.*,

I. OPINION

We have audited the accompanying financial statements of Sichuan Energy Investment Development Co., Ltd. ("the Company"), which comprise the consolidated and Company's statement of financial position as at 31 December 2025, the consolidated and Company's statement of profit or loss, the consolidated and Company's cash flow statement, the consolidated and Company's statement of changes in equity for the year then ended, and related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial position of the Group as at 31 December 2025, and the consolidated and company financial performance and cash flows of the Group for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). 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 the Group in accordance with the China Code of Ethics for Certified Public Accountants (the "Code") and China's CPA Independence Standard No. 1 — Requirements for Independence of Financial Statement Audit and Review Business, as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Recognition of Revenue from Power Sales

Please refer to the accounting policy as stated in 21 under Note "III. Significant Accounting Policies and Accounting Estimates" and 33 under "V. Notes to Items of Consolidated Financial Statements".

Key audit matter

Revenue from the power sales business of the Group in 2025 amounted to RMB4,522,335,655.14, accounting for 91% of the operating revenue of the Group for the year (2024: RMB4,339,330,250.74, 91%).

Revenue from power sales is recognized at the point in time when the sales are completed.

We identified revenue from power sales as a key audit matter because revenue is one of the key performance indicators of the Group and is significant to the consolidated financial statements, both of which give rise to an inherent risk that revenue could be recorded in an incorrect period or could be subject to manipulation to meet expectations or targets.

How the matter was addressed in our audit

The audit procedures related to revenue recognition for electricity sales business include the following procedures:

- assessing the design, implementation and operating effectiveness of key internal controls over the revenue from power sales business;
- involving internal IT specialists to assist us in assessing the operating effectiveness of IT application controls which were critical to the recognition of revenue from power business;
- inspecting power sales contracts with customers for power supply, on a sample basis, to understand key terms and conditions of sales transactions in order to assess whether the Group has complied with the policies for revenue recognition under the prevailing accounting standards;
- assessing if there was any unreasonable fluctuation of the trend of electricity line loss rate (線損率) year on year by comparing the total power sales volume with the self-generated power volume and externally purchased power volume;

Auditor's Report

III. KEY AUDIT MATTERS (CONTINUED)

Recognition of Revenue from Power Sales

Please refer to the accounting policy as stated in 21 under Note "III. Significant Accounting Policies and Accounting Estimates" and 33 under "V. Notes to Items of Consolidated Financial Statements".

Key audit matter

How the matter was addressed in our audit

- checking, on a sample basis, whether revenue transactions recorded during the year are consistent with the underlying power supply invoices, meter reading records, bank-in slips, and assessing whether the related revenue had been recognized in accordance with the Group's revenue recognition policies and recorded for correct accounting period;
- obtaining confirmations, on a sample basis, from major corporate customers with corresponding revenue recognized by the Group during the year and, for unreturned confirmations, performing alternative procedures by comparing details of the transactions with relevant underlying documents; and
- scrutinizing all revenue journals which met certain risk-based criteria, with relevant underlying documents.

IV. OTHER INFORMATION

The Group's management is responsible for the other information. The other information comprises all the information included in 2025 annual report of the Group, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. We have conducted assurance work on the continuing connected transaction information that constitutes the other information and issued a separate assurance conclusion, which is included in the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

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

V. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 CSAs 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 CSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (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) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (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 the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (5) Evaluate the overall presentation, including the disclosures, 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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.

Auditor's Report

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

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

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

KPMG Huazhen LLP

Beijing, China

Chinese Certified Public Accountants

Fang Haijie (Engagement partner)

Wen Yawen

30 March 2026

Consolidated Statement of Financial Position

31 December 2025
(Expressed in RMB)

	Notes	2025	2024
Assets			
Current assets:			
Cash at bank and on hand	V.1	432,162,184.95	569,899,108.46
Bills receivable	V.2	5,812,189.70	—
Accounts receivable	V.3	770,578,482.27	887,571,798.18
Prepayments	V.4	30,514,599.76	98,798,762.64
Other receivables	V.5	88,343,289.15	82,942,355.34
Inventories	V.6	68,818,994.36	64,631,970.56
Contract assets	V.7	115,101,474.09	282,396,998.48
Other current assets	V.8	62,343,891.48	17,814,128.58
Total current assets		<u>1,573,675,105.76</u>	<u>2,004,055,122.24</u>
Non-current assets:			
Long-term equity investments	V.9	322,322,496.91	350,559,753.18
Other non-current financial assets		170,250.00	170,250.00
Fixed assets	V.10	4,941,872,224.29	4,254,887,729.31
Construction in progress	V.12	475,768,648.60	458,196,521.73
Right-of-use assets	V.11	10,683,870.94	8,059,476.63
Intangible assets	V.13	222,881,450.34	210,721,025.44
Long-term prepaid expenses	V.14	8,252,290.71	5,870,407.45
Deferred income tax assets	V.15	82,846,167.24	69,029,494.98
Total non-current assets		<u>6,064,797,399.03</u>	<u>5,357,494,658.72</u>
Total assets		<u>7,638,472,504.79</u>	<u>7,361,549,780.96</u>

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Consolidated Statement of Financial Position

31 December 2025
(Expressed in RMB)

	Notes	2025	2024
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings	V.16	260,000,000.00	100,000,000.00
Notes payable	V.17	150,000,000.00	—
Accounts payable	V.18	972,998,654.45	1,131,408,083.90
Contract liabilities	V.19	196,221,391.31	507,537,527.07
Employee benefits payable	V.20	175,884,788.45	175,750,662.66
Taxes payable	V.21	59,259,772.63	85,709,350.06
Other payables	V.22	219,647,148.13	188,513,138.29
Non-current liabilities due within one year	V.23	242,780,426.93	37,049,226.65
Total current liabilities		2,276,792,181.90	2,225,967,988.63
Non-current liabilities:			
Long-term borrowings	V.24	397,700,000.00	557,440,000.00
Lease liabilities	V.25	5,789,511.44	3,989,638.55
Long-term payables	V.26	952,572,400.00	721,707,700.00
Deferred income	V.27	163,370,971.02	153,968,021.71
Deferred income tax liabilities	V.15	13,189,568.08	13,360,492.35
Total non-current liabilities		1,532,622,450.54	1,450,465,852.61
Total liabilities		3,809,414,632.44	3,676,433,841.24

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Consolidated Statement of Financial Position

31 December 2025
(Expressed in RMB)

	Notes	2025	2024
Shareholders' equity:			
Share capital	V.28	1,074,357,700.00	1,074,357,700.00
Capital reserve	V.29	1,081,447,605.75	1,081,447,605.75
Specific reserve	V.30	18,528,746.70	11,931,626.98
Surplus reserve	V.31	255,711,194.43	198,047,046.87
Undistributed profit	V.32	<u>1,327,016,366.95</u>	<u>1,248,836,243.23</u>
Total equity attributable to shareholders of the parent company		<u>3,757,061,613.83</u>	3,614,620,222.83
Non-controlling interests		<u>71,996,258.52</u>	<u>70,495,716.89</u>
Total shareholders' equity		<u><u>3,829,057,872.35</u></u>	<u><u>3,685,115,939.72</u></u>
Total liabilities and shareholders' equity		<u>7,638,472,504.79</u>	<u>7,361,549,780.96</u>

These financial statements have been approved by the Board of Directors on 30 March 2026.

He Jing
Legal representative

(Signature and seal)

Li Bi
Person in charge of accounting of
the Company and head of the
accounting department
(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Statement of Financial Position of the Company

31 December 2025
(Expressed in RMB)

	Notes	2025	2024
Assets			
Current assets:			
Cash at bank and on hand		275,700,384.16	399,703,111.56
Accounts receivable	XV.1	32,030,293.17	29,894,940.50
Prepayments		383,132.30	445,035.34
Other receivables	XV.2	2,494,267,053.59	1,905,062,906.35
Inventories		1,710.00	73,152.00
Total current assets		2,802,382,573.22	2,335,179,145.75
Non-current assets:			
Long-term equity investments	XV.3	1,542,388,208.52	1,555,015,054.75
Fixed assets		27,286,930.84	28,774,240.53
Construction in progress		2,709,433.97	2,709,433.97
Intangible assets		112,552.03	165,393.02
Total non-current assets		1,572,497,125.36	1,586,664,122.27
Total assets		4,374,879,698.58	3,921,843,268.02

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Statement of Financial Position of the Company

31 December 2025
(Expressed in RMB)

	Notes	2025	2024
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings		250,000,000.00	100,000,000.00
Notes payable		150,000,000.00	—
Employee benefits payable		26,742,831.44	35,776,509.62
Taxes payable		1,640,091.84	1,709,600.91
Other payables		554,914,304.59	870,706,084.42
Non-current liabilities due within one year		227,500,000.00	22,200,000.00
Total current liabilities		1,210,797,227.87	1,030,392,194.95
Non-current liabilities:			
Long-term borrowings		397,700,000.00	551,300,000.00
Total non-current liabilities		397,700,000.00	551,300,000.00
Total liabilities		1,608,497,227.87	1,581,692,194.95
Shareholders' equity:			
Share capital		1,074,357,700.00	1,074,357,700.00
Capital reserve		316,102,577.31	316,102,577.31
Surplus reserve		255,711,194.43	198,047,046.87
Undistributed profit		1,120,210,998.97	751,643,748.89
Total shareholders' equity		2,766,382,470.71	2,340,151,073.07
Total liabilities and shareholders' equity		4,374,879,698.58	3,921,843,268.02

These financial statements have been approved by the Board of Directors on 30 March 2026.

He Jing

Legal representative

(Signature and seal)

Li Bi

Person in charge of accounting of
the Company and head of the
accounting department

(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Consolidated Statement of Profit or Loss

2025
(Expressed in RMB)

	Notes	2025	2024
I. Operating revenue	V.33	4,968,130,028.88	4,775,571,527.88
Less: Operating costs	V.33	4,300,673,463.31	3,978,882,555.40
Taxes and surcharges	V.34	20,659,521.20	21,466,210.28
Administrative expenses	V.35	256,477,709.34	278,840,646.35
Finance costs	V.36	23,406,005.58	15,329,400.83
Including: Interest expenses		23,709,533.97	16,406,800.27
Interest income		2,848,519.63	3,892,162.87
Add: Other income	V.37	4,312,923.71	3,292,811.28
Investment loss	V.38	(14,307,203.82)	(4,817,622.92)
Including: Loss from investment in associates and joint ventures		(14,307,203.82)	(5,444,082.67)
Credit impairment losses	V.39	(25,966,051.45)	(16,773,076.78)
Asset impairment losses	V.40	(1,178,924.88)	(1,934,151.07)
Loss on asset disposal	V.41	(160,178.92)	(95,040.17)
II. Operating profit		329,613,894.09	460,725,635.36
Add: Non-operating income	V.42	18,882,895.91	11,116,067.84
Less: Non-operating expenses	V.42	3,978,889.31	5,091,607.76
III. Total profit		344,517,900.69	466,750,095.44
Less: Income tax expenses	V.43	56,785,993.97	65,501,879.11
IV. Net profit		287,731,906.72	401,248,216.33
(i) Net profit classified by continuity of operations:			
1. Net profit from continuing operations		287,731,906.72	401,248,216.33
2. Net profit from discontinued operations		—	—
(ii) Net profit classified by ownership:			
1. Net profit attributable to shareholders of the parent company		286,254,349.28	400,024,969.52
2. Net profit attributable to non-controlling interests		1,477,557.44	1,223,246.81

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Consolidated Statement of Profit or Loss

2025
(Expressed in RMB)

	Notes	2025	2024
V. Other comprehensive income, after tax		—	—
VI. Total comprehensive income		287,731,906.72	401,248,216.33
(i) Total comprehensive income attributable to shareholders of the parent company		286,254,349.28	400,024,969.52
(ii) Total comprehensive income attributable to non-controlling interests		1,477,557.44	1,223,246.81
VII. Earnings per share:			
(i) Basic earnings per share	V.44	0.27	0.37
(ii) Diluted earnings per share	V.44	0.27	0.37

These financial statements have been approved by the Board of Directors on 30 March 2026.

He Jing
Legal representative

(Signature and seal)

Li Bi
Person in charge of accounting of the Company and head of the accounting department

(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Statement of Profit or Loss of the Company

2025
(Expressed in RMB)

	Notes	2025	2024
I. Operating revenue	XV.4	51,703,403.55	45,487,787.31
Less: Operating costs	XV.4	5,380,934.29	5,462,181.45
Taxes and surcharges		950,724.03	791,882.53
Administrative expenses		42,479,923.91	62,532,923.33
Finance costs		(13,057,494.90)	(9,602,654.60)
Including: Interest expenses		29,484,414.30	24,360,072.38
Interest income		42,868,063.36	34,813,933.06
Add: Other income		170,062.88	189,204.17
Investment income	XV.5	561,120,969.38	359,905,588.89
Including: Loss from investment in associates and joint ventures		(12,157,328.95)	(3,209,045.55)
II. Operating profit		577,240,348.48	346,398,247.66
Add: Non-operating income		94.00	1,393.00
Less: Non-operating expenses		598,966.84	16,797.78
III. Total profit		576,641,475.64	346,382,842.88
Less: Income tax expenses		—	—
IV. Net profit		576,641,475.64	346,382,842.88
(i) Net profit from continuing operations		576,641,475.64	346,382,842.88
(ii) Net profit from discontinued operations		—	—

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Statement of Profit or Loss of the Company

2025
(Expressed in RMB)

Notes	2025	2024
V. Other comprehensive income, after tax	—	—
VI. Total comprehensive income	576,641,475.64	346,382,842.88

These financial statements have been approved by the Board of Directors on 30 March 2026.

He Jing

Legal representative

(Signature and seal)

Li Bi

Person in charge of accounting of
the Company and head of the
accounting department

(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Consolidated Cash Flow Statement

2025
(Expressed in RMB)

	Notes	2025	2024
I. CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from sales of goods or rendering of services		5,744,294,978.47	5,256,930,199.20
Cash received relating to other operating activities		27,634,216.41	40,790,935.66
Subtotal of cash inflows from operating activities		5,771,929,194.88	5,297,721,134.86
Cash paid for goods and services		4,341,163,021.86	3,956,152,064.34
Cash paid to and on behalf of employees		545,389,413.97	508,847,317.82
Cash paid for all types of taxes		229,602,106.90	202,715,163.18
Cash paid relating to other operating activities		20,945,288.25	27,112,819.47
Subtotal of cash outflows from operating activities		5,137,099,830.98	4,694,827,364.81
Net cash flows from operating activities	V.46	634,829,363.90	602,893,770.05
II. CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received from disposal of investments		—	75,000,000.00
Cash received from return on investments		12,326,225.60	1,965,676.39
Net cash received from disposal of subsidiaries and other operating entities	V. 46(3)	12,173,943.10	—
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		6,797,485.78	1,123,161.90
Cash received relating to other investing activities		1,600,000.00	1,061,494.00
Subtotal of cash inflows from investing activities		32,897,654.48	79,150,332.29
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		1,040,098,875.92	763,257,422.78
Cash paid for acquisition of investments		—	75,000,000.00
Subtotal of cash outflows from investing activities		1,040,098,875.92	838,257,422.78
Net cash flows from investing activities		(1,007,201,221.44)	(759,107,090.49)

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Consolidated Cash Flow Statement

2025
(Expressed in RMB)

Notes	2025	2024
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash received from absorption of investments	—	20,700,000.00
Including: Cash received from absorption of investments from non-controlling interests by subsidiaries	—	20,700,000.00
Cash received from borrowings	535,000,000.00	357,250,000.00
Cash received relating to other financing activities	230,864,700.00	175,726,700.00
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Subtotal of cash inflows from financing activities	765,864,700.00	553,676,700.00
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Cash paid for debt repayment	330,180,000.00	171,988,300.00
Cash paid for distribution of dividends or profits and for interest expenses	181,080,318.54	156,861,923.56
Including: Cash paid to non-controlling interests for distribution of dividends or profits by subsidiaries	—	—
Cash paid relating to other financing activities	3,772,332.31	4,252,888.67
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Subtotal of cash outflows from financing activities	515,032,650.85	333,103,112.23
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net cash flows from financing activities	250,832,049.15	220,573,587.77

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Consolidated Cash Flow Statement

2025

(Expressed in RMB)

	Notes	2025	2024
IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH AND CASH EQUIVALENTS		<u>(197,115.12)</u>	<u>(723,507.50)</u>
V. NET INCREASE IN CASH AND CASH EQUIVALENTS ("() FOR NET DECREASE)	V.46	(121,736,923.51)	63,636,759.83
Add: Balance of cash and cash equivalents at the beginning of the year		<u>553,875,808.46</u>	<u>490,239,048.63</u>
VI. BALANCE OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	V.46	432,138,884.95	553,875,808.46

These financial statements have been approved by the Board of Directors on 30 March 2026.

He Jing

Legal representative

(Signature and seal)

Li Bi

Person in charge of accounting of the Company and head of the accounting department

(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Cash Flow Statement of the Company

2025
(Expressed in RMB)

	2025	2024
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from sales of goods or rendering of services	54,160,346.77	47,051,819.95
Cash received relating to other operating activities	1,071,606.39	7,087,770.46
	<u>55,231,953.16</u>	<u>54,139,590.41</u>
Subtotal of cash inflows from operating activities	55,231,953.16	54,139,590.41
Cash paid to and on behalf of employees	45,069,095.15	44,246,708.59
Cash paid for all types of taxes	5,020,476.13	5,359,772.58
Cash paid relating to other operating activities	9,680,819.02	10,949,091.44
	<u>59,770,390.30</u>	<u>60,555,572.61</u>
Subtotal of cash outflows from operating activities	59,770,390.30	60,555,572.61
Net cash flows from operating activities	(4,538,437.14)	(6,415,982.20)
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received from disposal of investments	—	75,000,000.00
Cash received from return on investments	573,747,815.61	471,958,714.92
	<u>573,747,815.61</u>	<u>546,958,714.92</u>
Subtotal of cash inflows from investing activities	573,747,815.61	546,958,714.92
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	254,001.00	2,741,633.97
Cash paid for acquisition of investments	—	123,499,289.36
Cash paid relating to other investing activities	714,620,678.35	289,817,133.55
	<u>714,874,679.35</u>	<u>416,058,056.88</u>
Subtotal of cash outflows from investing activities	714,874,679.35	416,058,056.88
Net cash flows from investing activities	(141,126,863.74)	130,900,658.04

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Cash Flow Statement of the Company

2025

(Expressed in RMB)

	2025	2024
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash received from borrowings	<u>525,000,000.00</u>	<u>350,000,000.00</u>
Subtotal of cash inflows from financing activities	<u>525,000,000.00</u>	<u>350,000,000.00</u>
Cash paid for debt repayment	<u>323,300,000.00</u>	<u>171,000,000.00</u>
Cash paid for distribution of dividends and for interest expenses	<u>179,840,330.90</u>	<u>156,099,859.73</u>
Subtotal of cash outflows from financing activities	<u>503,140,330.90</u>	<u>327,099,859.73</u>
Net cash flows from financing activities	<u>21,859,669.10</u>	<u>22,900,140.27</u>
IV. EFFECT OF CHANGES IN EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	<u>(197,095.62)</u>	<u>(723,432.50)</u>
V. NET INCREASE IN CASH AND CASH EQUIVALENTS (“”)FOR NET DECREASE)	<u>(124,002,727.40)</u>	<u>146,661,383.61</u>
Add: Balance of cash and cash equivalents at the beginning of the year	<u>399,703,111.56</u>	<u>253,041,727.95</u>
VI. BALANCE OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>275,700,384.16</u>	<u>399,703,111.56</u>

These financial statements have been approved by the Board of Directors on 30 March 2026.

He Jing

Legal representative

(Signature and seal)

Li Bi

Person in charge of accounting of the Company and head of the accounting department

(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Consolidated Statement of Changes in Equity

2025
(Expressed in RMB)

	Notes	Attributable to shareholders of the parent company					Subtotal	Non-controlling interests	Total shareholders' equity
		Share capita	Capital reserve	Specific reserve	Surplus reserve	Undistributed profit			
I. Balance at the beginning of the year		<u>1,074,357,700.00</u>	<u>1,081,447,605.75</u>	<u>11,931,626.98</u>	<u>198,047,046.87</u>	<u>1,248,836,243.23</u>	<u>3,614,620,222.83</u>	<u>70,495,716.89</u>	<u>3,685,115,939.72</u>
II. Movements during the year ("0" for decrease)									
(i) Total comprehensive income		—	—	—	—	286,254,349.28	286,254,349.28	1,477,557.44	287,731,906.72
(ii) Capital contributed by owners		—	—	—	—	—	—	—	—
(iii) Profit distribution	V. 32								
1. Appropriation for surplus reserve		—	—	—	57,664,147.56	(57,664,147.56)	—	—	—
2. Distribution to shareholders		—	—	—	—	(150,410,078.00)	(150,410,078.00)	—	(150,410,078.00)
(iv) Specific reserve									
1. Appropriated during the year		—	—	36,121,763.50	—	—	36,121,763.50	189,131.15	36,310,894.65
2. Used during the year		—	—	(29,524,643.78)	—	—	(29,524,643.78)	(166,146.96)	(29,690,790.74)
III. Balance at the end of the year		<u>1,074,357,700.00</u>	<u>1,081,447,605.75</u>	<u>18,528,746.70</u>	<u>255,711,194.43</u>	<u>1,327,016,366.95</u>	<u>3,757,061,613.83</u>	<u>71,996,258.52</u>	<u>3,829,057,872.35</u>

These financial statements have been approved by the Board of Directors on 30 March 2026.

He Jing

Legal representative

(Signature and seal)

Li Bi

Person in charge of accounting of the Company and head of the accounting department

(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Consolidated Statement of Changes in Equity

2024

(Expressed in RMB)

	Attributable to shareholders of the parent company							Non-controlling interests	Total shareholders' equity
	Notes	Share capital	Capital reserve	Specific reserve	Surplus reserve	Undistributed profit	Subtotal		
I. Balance at the beginning of the year		1,074,357,700.00	1,081,447,605.75	12,963,709.80	163,408,762.58	1,023,116,059.00	3,355,293,837.13	48,543,393.85	3,403,837,230.98
II. Movements during the year ("0" for decrease)									
(i) Total comprehensive income		—	—	—	—	400,024,969.52	400,024,969.52	1,223,246.81	401,248,216.33
(ii) Capital contributed by owners		—	—	—	—	—	—	20,700,000.00	20,700,000.00
(iii) Profit distribution	V. 32								
1. Appropriation for surplus reserve		—	—	—	34,638,284.29	(34,638,284.29)	—	—	—
2. Distribution to shareholders		—	—	—	—	(139,666,501.00)	(139,666,501.00)	—	(139,666,501.00)
(iv) Specific reserve									
1. Appropriated during the year		—	—	31,777,579.77	—	—	31,777,579.77	73,095.54	31,850,675.31
2. Used during the year		—	—	(32,809,662.59)	—	—	(32,809,662.59)	(44,019.31)	(32,853,681.90)
III. Balance at the end of the year		1,074,357,700.00	1,081,447,605.75	11,931,626.98	198,047,046.87	1,248,836,243.23	3,614,620,222.83	70,495,716.89	3,685,115,939.72

These financial statements have been approved by the Board of Directors on 30 March 2026.

He Jing

Legal representative

(Signature and seal)

Li Bi

Person in charge of accounting of the Company and head of the accounting department

(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Statement of Changes in Equity of the Company

2025
(Expressed in RMB)

	Share capital	Capital reserve	Surplus reserve	Undistributed profit	Total shareholders' equity
I. Balance at the beginning of the year	1,074,357,700.00	316,102,577.31	198,047,046.87	751,643,748.89	2,340,151,073.07
II. Movements during the year					
(i) Total comprehensive income	—	—	—	576,641,475.64	576,641,475.64
(ii) Profit distribution					
1. Appropriation for surplus reserve	—	—	57,664,147.56	(57,664,147.56)	—
2. Distribution to shareholders	—	—	—	(150,410,078.00)	(150,410,078.00)
III. Balance at the end of the year	1,074,357,700.00	316,102,577.31	255,711,194.43	1,120,210,998.97	2,766,382,470.71

These financial statements have been approved by the Board of Directors on 30 March 2026.

He Jing
Legal representative

(Signature and seal)

Li Bi
Person in charge of accounting of
the Company and head of the
accounting department
(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Statement of Changes in Equity of the Company

2024

(Expressed in RMB)

	Share capital	Capital reserve	Surplus reserve	Undistributed profit	Total shareholders' equity
I. Balance at the beginning of the year	1,074,357,700.00	316,102,577.31	163,408,762.58	579,565,691.30	2,133,434,731.19
II. Movements during the year					
(i) Total comprehensive income	—	—	—	346,382,842.88	346,382,842.88
(ii) Profit distribution					
1. Appropriation for surplus reserve	—	—	34,638,284.29	(34,638,284.29)	—
2. Distribution to shareholders	—	—	—	(139,666,501.00)	(139,666,501.00)
III. Balance at the end of the year	1,074,357,700.00	316,102,577.31	198,047,046.87	751,643,748.89	2,340,151,073.07

These financial statements have been approved by the Board of Directors on 30 March 2026.

He Jing

Legal representative

(Signature and seal)

Li Bi

Person in charge of accounting of the Company and head of the accounting department

(Signature and seal)

(Company seal)

Date:

The notes to the financial statements on pages 94 to 208 form part of these financial statements.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

I. BASIC INFORMATION OF THE COMPANY

Sichuan Energy Investment Development Co., Ltd. (the “Company”) is a joint stock limited liability company established in Chengdu, Sichuan Province and headquartered in Wenjiang District, Chengdu, Sichuan Province. The Company’s legal representative is He Jing, its parent company is Sichuan Province Hydropower Investment and Management Group Co., Ltd., and the ultimate controlling company is Sichuan Energy Development Group Co., Ltd.* (四川能源發展集團有限責任公司).

The Company and its subsidiaries (collectively, the “Group”) operate in the electric power industry with main business scope including development, construction and operation management of power projects; development, construction and operation management of power distribution network and power plants; production and sale of power products; new energy technology research, development and advisory services; installation, commissioning and repair of power facilities and inspection of electrical equipment, sale of material (excluding commodities subject to state-run trade management, and for commodities subject to quota and permit management, application shall be made in accordance with relevant national regulations; projects subject to approval as required by the law shall be carried out after approval by relevant authorities). For information on the subsidiaries of the Company, please refer to Note VII.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The Company prepares its financial statements on a going concern basis.

As at 31 December 2025, the Group’s current liabilities exceeded its current assets by RMB703,117,076.14. Considering that the Group’s expected cash flow from operating activities continues to be a net cash inflow, and the Group had undrawn bank credit facilities as at 31 December 2025, the Board of Directors considers that the Group has sufficient funds to meet its working capital commitments and debt obligations, and therefore these financial statements have been prepared on a going concern basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group’s accounting policies for the recognition and measurement of provision for bad and doubtful debts for receivables, depreciation of fixed assets, amortization of intangible assets, and recognition and measurement of revenue are formulated according to the specific characteristics of the Group’s operations. For specific policies, please refer to relevant notes.

1. Statement of compliance with accounting standards for business enterprises

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards (“CAS”) issued by the MOF. These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 31 December 2025, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended.

In addition, certain notes in these financial statements have been prepared in accordance with disclosure requirements of the Companies Ordinance of Hong Kong, which also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

2. Accounting period

The accounting year begins on 1 January and ends on 31 December of a calendar year.

3. Operating cycle

The Company takes the period from the acquisition of assets for processing to their realization in cash or cash equivalents as a normal operating cycle. The operating cycle of the Company's electricity sales business is usually shorter than 12 months, and is usually 1 month to 24 months for the electricity installation engineering business.

4. Functional currency

The Company's functional currency is Renminbi and these financial statements are presented in Renminbi. Functional currency is determined by the Company and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled.

5. The accounting treatment of business combinations involving enterprises under common control and business combinations involving enterprises not under common control

A transaction constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets). Business combination is classified as either business combinations involving enterprises under common control or business combinations involving enterprises not under common control.

For a transaction involving enterprises not under common control, the acquirer determines whether acquired set of assets constitute a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is not a business. If the concentration test is met, the set of assets is determined not to be a business. If the concentration test is not met, the Group shall perform the assessment according to the guidance on the determination of a business.

When the set of assets the Group acquired does not constitute a business, acquisition costs should be allocated to identifiable assets and liabilities at their acquisition date fair values. It is not required to apply the accounting of business combination described as below.

(1) Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets and liabilities obtained are measured at the carrying amounts as recorded in the financial statements of the ultimate controlling party at the combination date. The difference between shares of the carrying amount of the net assets obtained and the carrying amount of consideration paid for the combination (or the total par value of shares issued) is adjusted to share premium in the capital reserve. If the balance of share premium is insufficient, the surplus reserve and undistributed profits are offset in the same order. Any costs directly attributable to the combination are recognized in profit or loss for the current period when occurred. The combination date is the date on which one combining enterprise effectively obtains control of the other combining enterprises.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. The accounting treatment of business combinations involving enterprises under common control and business combinations involving enterprises not under common control (continued)

(2) Business combinations involving enterprises not under common control

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination. Where 1) the aggregate of the fair value at the acquisition date of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds 2) the acquirer's interest in the fair value at the acquisition date of the acquiree's identifiable net assets, after taking into account the related deferred income tax effects, the difference is recognized as goodwill (see Note III.16). Where 1) is less than 2), the difference is recognized in profit or loss for the current period. The costs of the issuance of equity or debt securities as a part of the consideration paid for the acquisition are included as a part of initial recognition amount of the equity or debt securities. Other acquisition-related costs arising from the business combination are recognized as expenses in the periods in which the costs are incurred. Any difference between the fair value and the carrying amount of the assets transferred as consideration is recognized in profit or loss. The acquiree's identifiable assets, liabilities and contingent liabilities, if satisfying the recognition criteria, are recognized by the Group at their fair value at the acquisition date. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

6. Preparation of consolidated financial statements

(1) General principles

The scope of consolidated financial statements is based on control and comprises the Company and its subsidiaries. Control exists when the Group has all of following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealized profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are recognized in full if there is evidence that the losses are the relevant asset impairment losses.

(2) Subsidiaries acquired through a business combination

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary are included in the consolidated financial statements based on the carrying amounts of the assets and liabilities of the subsidiary in the financial statements of the ultimate controlling party as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated.

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair value of those identifiable assets and liabilities at the acquisition date.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Preparation of consolidated financial statements (continued)

(3) Disposal of subsidiaries

When the Group loses control of a subsidiary, any resulting disposal gains or losses are recognized as investment income for the current period. The remaining equity investment is remeasured at its fair value at the date when control is lost. Any resulting gains or losses are also recognized as investment income for the current period.

(4) Changes in non-controlling interests

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders, the difference between the investment cost and the newly acquired interest in the subsidiary's identifiable net assets is adjusted to the capital reserve (capital surplus) in the consolidated statement of financial position. Where the Company partially disposes of an investment in a subsidiary that does not result in a loss of control, the difference between the proceeds and the corresponding share of the interest into the subsidiary is adjusted to the capital reserve (capital surplus) in the consolidated statement of financial position. If the credit balance of capital reserve (capital surplus) is insufficient, the surplus reserve and undistributed profits are offset in the same order.

7. Recognition criteria for cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily withdrawn on demand, and short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

8. Foreign currency transactions and translation of financial statements denominated in foreign currencies

Foreign currency transactions of the Group are, on initial recognition, translated to Renminbi at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognized in profit or loss, unless they arise from the re-translation of the principal and interest of specific borrowings for the acquisition, construction or production of qualifying assets (see Note III.14). Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date.

9. Financial instruments

Financial instruments of the Group include cash at bank and on hand, equity investment except for long-term equity investments (see Note III.11), receivables, payables, loans and borrowings and share capital, etc.

(1) Recognition and initial measurement of financial assets and financial liabilities

A financial asset or financial liability is recognized in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (continued)

(1) Recognition and initial measurement of financial assets and financial liabilities (continued)

A financial asset and financial liability is measured at fair value on initial recognition. For financial assets or financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets or financial liabilities, any related directly attributable transaction costs are included in their initially recognised amounts. Accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient for contracts of one year or less are initially measured at the transaction price determined according to the accounting policies in Note III.21.

(2) Classification and subsequent measurement of financial assets

(a) Classification of financial assets of the Group

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortized cost, at fair value through other comprehensive income ("FVOCI"), and at fair value through profit or loss ("FVPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group classifies financial assets not designated as at FVPL that meet both of the following conditions into financial assets at amortized cost:

- The purpose of the Group's business model for managing the financial assets is to receive contractual cash flows;
- The contractual terms of the financial assets stipulate that the cash flows generated on specific dates are only for payment of the principal and the interest based on the amount of principal outstanding.

The Group classifies financial assets not designated as FVPL that meet the following conditions as financial assets at FVOCI:

- The purpose of the Group's business model for managing the financial assets is to receive contractual cash flows and to sell the financial assets;
- The contractual terms of the financial assets stipulate that the cash flows generated on specific dates are only for payment of the principal and the interest based on the amount of principal outstanding.

For investments in equity instruments not held for trading, the Group may irrevocably designate them as financial assets at FVOCI at initial recognition. The designation is made on an individual basis and the investment is in line with the definition of the equity instrument from the issuer's perspective.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (continued)

(2) Classification and subsequent measurement of financial assets (continued)

(a) Classification of financial assets of the Group (continued)

Except for the above-mentioned financial assets measured at amortized cost and at FVOCI, the Group classifies all other financial assets into financial assets at FVPL.

The business model for managing financial assets refers to how the Group manages financial assets to generate cash flows. The business model determines whether the source of cash flows for financial assets managed by the Group is contractual cash flows, the sale of financial assets or both. The Group determines the business model for managing financial assets based on objective facts and specific business objectives for the management of financial assets as determined by key management personnel.

The Group assesses the contractual cash flow characteristics of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on specific dates are solely for payment of the principal and the interest based on the amount of principal outstanding. Of which, the principal is the fair value of the financial assets at initial recognition; the interest includes the time value of money, the credit risk associated with the outstanding principal amount for a specific period, and the consideration of other basic lending risks, costs and profits. In addition, the Group assesses the contractual terms that may result in a change in the time distribution or amount of contractual cash flows generated by the financial assets to determine whether they meet the requirements of the above contractual cash flow characteristics.

(b) Subsequent measurement of financial assets of the Group

— Financial assets at FVPL

Subsequent to initial recognition, such financial assets are measured at fair value, and the resulting gains or losses (including interest and dividend income) are included in profit or loss, unless the financial asset is a component of hedges.

— Financial assets measured at amortized cost

Subsequent to initial recognition, such financial assets are measured at amortized cost using the effective interest method. Gains or losses arising from financial assets that are measured at amortized cost and are not a component of any hedges are recognized in profit or loss at the time of derecognition, amortization using the effective interest method or recognition of impairment.

— Debt investments at FVOCI

Subsequent to initial recognition, such financial assets are measured at fair value. Interest calculated using the effective interest method, impairment losses or gains and exchange gains or losses are recognized in profit or loss, and other gains or losses are included in other comprehensive income. At the time of derecognition, the cumulative gains or losses previously recognized in other comprehensive income are transferred to profit or loss.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (continued)

(2) Classification and subsequent measurement of financial assets (continued)

(b) Subsequent measurement of financial assets of the Group (continued)

- Investments in equity instruments at FVOCI

Subsequent to initial recognition, such financial assets are measured at fair value. Dividend income is recognized in profit or loss, and other gains or losses are recognized in other comprehensive income. At the time of derecognition, the cumulative gains or losses previously included in other comprehensive income are transferred to retained earnings.

(3) Classification and subsequent measurement of financial liabilities

The Group classifies financial liabilities into financial liabilities at FVPL and financial liabilities measured at amortized cost.

- Financial liabilities at FVPL

Such financial liabilities include financial liabilities held for trading (including derivatives which fall under financial liabilities) and financial liabilities designated as at FVPL.

Subsequent to initial recognition, financial liabilities at FVPL are subsequently measured at fair value and gains and losses are recognized in profit or loss, unless the financial liabilities are part of a hedging relationship.

- Financial liabilities measured at amortized cost

Subsequent to initial recognition, such financial liabilities are measured at amortized cost using the effective interest method.

(4) Offsetting

Financial assets and financial liabilities are presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset, and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- the Group currently has a legally enforceable right to set off the recognized amounts;
- the Group intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously

(5) Derecognition of financial assets and financial liabilities

A financial asset is derecognized when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (continued)

(5) Derecognition of financial assets and financial liabilities (continued)

- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset;
- the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognized in profit or loss:

- the carrying amount of the financial asset transferred at the date of derecognition;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognized directly in other comprehensive income for the part derecognized.

The Group derecognizes a financial liability (or part of it) when its contractual obligation (or part of it) is extinguished.

(6) Impairment

Based on the expected credit loss, the Group conducts impairment accounting for the following items and recognizes loss allowance:

- Financial assets measured at amortized cost;
- Contract assets;

Measurement of expected credit losses

Expected credit loss is a weighted average of credit losses on financial instruments weighted at the risk of default. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between all contractual cash flows discounted as per the original effective interest rate and receivable from the contract and all cash flows expected to be received by the Group).

The maximum period considered when estimating expected credit losses is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

Lifetime expected credit losses are the expected credit losses of a financial instrument that result from all possible default events over the expected life.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (continued)

(6) Impairment (continued)

Measurement of expected credit losses (continued)

12-month expected credit losses are the portion of expected credit losses of a financial instrument that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the financial instrument is less than 12 months).

For notes receivable, accounts receivable and contract assets arising from daily business activities such as sales of goods and provision of services loss allowances for notes receivable, accounts receivable and contract assets are always measured at an amount equal to lifetime expected credit loss. Expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

Except for notes receivable, accounts receivable and contract assets, the Group measures loss allowance at an amount equal to 12-month expected credit loss for the following financial instruments, and at an amount equal to lifetime expected credit loss for all other financial instruments:

- If the financial instrument is determined to have low credit risk at the balance sheet date; or
- If the credit risk on a financial instrument has not increased significantly since initial recognition.

Financial instruments that have low credit risk

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Significant increases in credit risk

The Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of default at the balance sheet date with the risk of default at the date of initial recognition.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (continued)

(6) Impairment (continued)

Significant increases in credit risk (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor;
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Generally, the Group assumes that the credit risk on a financial asset has increased significantly since the date on which it becomes past due. Unless the Group is able to obtain reasonable and well-founded information at no cost or effort to demonstrate that credit risk has not increased significantly since the initial recognition, although it exceeded the payment term agreed upon in the contract for 30 days.

Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets measured at amortized cost and debt investments at FVOCI are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the borrower's financial difficulty, the Group having granted to the borrower a concession that would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties of the issuer or the debtor.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (continued)

(6) Impairment (continued)

Presentation of provision for expected credit losses

Expected credit losses are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the expected credit loss amount is recognized as an impairment gain or loss in profit or loss. For financial assets measured at amortized cost, provision is offset against their carrying amounts in the balance sheet. The Group recognizes provision for debt investments at FVOCI in other comprehensive income and does not deduct the carrying amount of the financial assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes derecognition of the relevant financial asset. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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

(7) Equity instrument

Equity instruments issued by the Company are recorded in shareholders' equity at the actual issue price, and the related transaction costs are deducted from shareholders' equity (capital reserve). If capital reserve is not sufficient for the purpose of deducting the transaction costs, the transaction costs are deducted from shareholders' equity by subtracting surplus reserve and retained earnings in the same order. Consideration paid and transaction costs incurred for the repurchase of the Company's equity instruments are recognized as a reduction of shareholders' equity.

When the Company repurchases its own shares, those shares are treated as treasury shares. All expenditure relating to the repurchase is recorded as the cost of the treasury shares, and the treasury shares are recorded in a memorandum register. Treasury shares are excluded from profit distributions and are presented as a deduction under shareholders' equity in the balance sheet.

When treasury shares are cancelled, the share capital should be reduced to the extent of the total par value of the treasury shares cancelled. Where the cost of the treasury shares cancelled exceeds the total par value, the excess is deducted from capital reserve (share premium), surplus reserve and retained earnings sequentially. If the cost of treasury shares cancelled is less than the total par value, the difference is credited to the capital reserve (share premium).

When treasury shares are disposed of, any excess of proceeds above cost is recognized in capital reserve (share premium); otherwise, the shortfall is deducted against capital reserve (share premium), surplus reserve and retained earnings sequentially.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Inventories

(1) Classification of inventories

Inventories include raw materials and reusable materials. Reusable materials include low-value consumables, packaging materials and other materials, which can be used repeatedly but do not meet the definition of fixed assets.

(2) Calculation method of inventories transferred out

Cost of inventories transferred out is calculated using the weighted average method.

(3) Inventory system

The Group maintains a perpetual inventory system.

(4) Amortization of low-value consumables and packaging materials

Consumables including low-value consumables and packaging materials are amortized in full when received for use. The amortizations are included in the cost of the related assets or recognized in profit or loss for the current period.

(5) Basis for determination and provisioning methods for impairment losses of inventories

At the balance sheet date, inventories are measured at the lower of cost or net realizable value. Any excess of the cost of an individual inventory item over its net realizable value is recognized as a provision for impairment losses of inventories in profit or loss.

The net realizable value of materials held for use in the production is measured based on the net realizable value of the finished goods in which they will be incorporated. The net realizable value of the inventory held to satisfy sales or service contracts is measured based on the contract price to the extent of the quantities specified in sales contracts, and the net realizable value of the excess portion of inventories is measured based on general selling prices.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Long-term equity investments

(1) Cost of long-term equity investments

(a) Long-term equity investments acquired through a business combination

- The initial cost of a long-term equity investment acquired through a business combination involving enterprises under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to share premium in capital reserve. If the share premium is insufficient to absorb the difference, the excess is deducted against surplus reserve and retained earnings in the same order.
- For a long-term equity investment obtained through a business combination involving enterprises not under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree.

(b) Long-term equity investments acquired other than through a business combination

- A long-term equity investment acquired other than through a business combination is initially recognized at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

(2) Subsequent measurement and recognition in profit or loss of long-term equity investments

(a) Investments in subsidiaries

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement. The Company recognizes its share of the cash dividends or profit distributions declared by the investee as investment income in the current period.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Long-term equity investments (continued)

(2) Subsequent measurement and recognition in profit or loss of long-term equity investments (continued)

(b) Investment in joint ventures and associates

A joint venture is an arrangement whereby the Group and other parties have joint control (see Note III.11(3)) and rights to the net assets of the arrangement. An associate is an enterprise over which the Group has significant influence (see Note III.11(3)).

Long-term equity investments in joint ventures or associates are accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale (see Note III.28).

After the acquisition of the investment in a joint venture or an associate, the Group recognizes its share of the investee's profit or loss and other comprehensive income, as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the long-term equity investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by that amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution ("**other changes in owners' equity**"), are recognized directly in the Group's equity, and the carrying amount of the long-term equity investment is adjusted accordingly.

Unrealized profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures under the equity method. Unrealized losses resulting from transactions between the Group and its associates or joint ventures are recognized in full if there is evidence that the losses are the relevant asset impairment losses.

The Group discontinues recognizing its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Long-term equity investments (continued)

(3) Criteria for determining the exercise of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities with significant impact on the returns of the arrangement) require the unanimous consent of the parties sharing control.

The following factors are usually considered when assessing whether the Group can exercise joint control over an investee:

- Whether no single participant party is in a position to control the investee's related activities unilaterally;
- Whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties sharing control.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies.

12. Fixed assets

(1) Recognition criteria for fixed assets

The initial cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The initial cost of self-constructed assets is measured in accordance with the policy set out in Note III.13.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in a different pattern thus necessitating use of different depreciation rates or methods, each part is recognized as a separate fixed asset.

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognized as assets when it is probable that the economic benefits associated with the costs will flow to the Group, and the carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of fixed assets are recognized in profit or loss as incurred.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Fixed assets (continued)

(2) Depreciation of fixed assets

The cost of fixed asset, less its estimated residual value and accumulated provision for impairment, is depreciated using the straight-line method over its useful life, unless the fixed asset is classified as held for sale (see Note III.28).

The useful lives, residual value rates and annual depreciation rates of each class of fixed assets are as follows:

Category	Useful life (years)	Residual value rate (%)	Annual depreciation rate (%)
Plant and buildings	20 ~ 50 years	5%	1.90% ~ 4.75%
Machinery and equipment	10 ~ 30 years	5%	3.17% ~ 9.50%
Office and other equipment	5 ~ 10 years	5%	9.50% ~ 19.00%
Motor vehicles	5 ~ 10 years	5%	9.50% ~ 19.00%

Useful lives, estimated residual value and depreciation methods are reviewed at least at each year-end.

13. Construction in progress

The cost of self-constructed fixed assets includes the cost of materials, direct labor, capitalized borrowing costs (see Note III.14), and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed fixed asset is included in construction in progress before it is transferred to fixed asset when it is ready for its intended use. No depreciation is provided against construction in progress.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Borrowing costs

Borrowing costs incurred directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as financial expenses when incurred.

During the capitalization period, the amount of interest (including amortization of any discount or premium on borrowing) to be capitalized in each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalized is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.
- To the extent that the Group borrows funds generally and uses them for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over the above amounts of specific borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognized amount of the borrowings.

During the capitalization period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalized as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognized as a financial expense in profit or loss when incurred.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Intangible assets

For an intangible asset with finite useful life, its cost less estimated residual value and accumulated provision for impairment is amortized using the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale (see Note III.28).

The useful life of each intangible asset and its determination basis and amortization method are as follows:

Item	Useful life (years)	Determination basis	Amortization methods
Land use right	50 years	land use life	straight-line method
Software	5 ~ 10 years	term of authorization	straight-line method

For an intangible asset with a finite useful life, the Group reviews the useful life and the amortization method at least at each year-end.

An intangible asset is regarded as having an indefinite useful life and is not amortized when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. As at the balance sheet date, the Group does not have any intangible assets with indefinite useful lives.

16. Goodwill

The initial cost of goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under the business combination involving enterprises not under common control.

Goodwill is not amortized and is stated in the balance sheet at cost less accumulated provision for impairment (see Note III.18).

17. Long-term prepaid expenses

The Group recognizes all expenses incurred and with a benefit period of more than one year as long-term prepaid expenses.

Long-term prepaid expenses are amortized using the straight-line method within the benefit period. The respective amortization periods for such expenses are as follows:

Item	Amortization period
Leasehold improvements	3 ~ 5 years

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Impairment of assets other than inventories and financial assets

The carrying amounts of the following assets are reviewed at each balance sheet date based on the internal and external sources of information to determine whether there is any indication of impairment:

- Fixed assets
- Construction in progress
- Right-of-use assets
- Intangible assets
- Long-term equity investments
- Goodwill
- Long-term prepaid expenses, etc.

The Group conducts impairment tests on assets with signs of impairment and estimates the recoverable amount of the assets. In addition, the Group estimates the recoverable amounts of intangible assets not ready for use at least annually, irrespective of whether there is any indication of impairment, and estimates the recoverable amounts of goodwill at least annually at each year-end. The carrying amount of goodwill is allocated to each asset group or set of asset groups, which is expected to benefit from the synergies of the combination for the purpose of impairment testing.

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value (see Note III.19) less costs to sell and its present value of expected future cash flows.

An asset group is composed of assets directly related to cash-generation and is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using an appropriate pre-tax discount rate.

If the estimation results of the recoverable amount indicate that the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is written down to the recoverable amount, and an impairment loss is recognized in profit or loss. A provision for impairment of the asset is recognized accordingly. Impairment losses related to an asset group or a set of asset groups, are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognized, it is not reversed in a subsequent period.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Fair value measurement

Unless otherwise specified, the Group measures fair value as follows:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

20. Provisions

A provision is recognized for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. If there is a continuous range of required expenditure and the probability of various results within the range is the same, the best estimate shall be determined according to the middle value within the range. In other cases, the best estimates are treated as follows:

- If the contingency involves a single item, it shall be determined according to the most likely amount.
- If the contingency involves multiple items, it shall be determined according to various possible results and relevant probability calculation.

The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue

Revenue is the gross inflow of economic benefit arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than increase relating to contributions from shareholders.

Revenue is recognized when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers.

Performance obligations are contractual commitments of the Group to transfer the distinct goods to customers. Goods committed to customers by the Group are clearly distinct if they meet the following conditions: firstly, customers can benefit from the goods themselves or from the use of the goods in conjunction with other readily available resources; secondly, the Group's commitment to transfer the goods to the customer can be distinguished from other commitments in the contract.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognizes as revenue the amount of the transaction price that is allocated to each performance obligation. The stand-alone selling price is the price at which the Group would sell a promised good or render service separately to a customer. If a stand-alone selling price is not directly observable, the Group shall consider all information that is reasonably available to the Group and maximize the use of observable inputs to estimate the stand-alone selling price.

For the contract with a warranty, the Group analyses the nature of the warranty provided, if the warranty provides the customer with a distinct service in addition to the assurance that the product complies with agreed-upon specifications, the Group recognizes the promised warranty as a performance obligation. Otherwise, the Group accounts for the warranty in accordance with the requirements of the Accounting Standards for Business Enterprises No.13 — Contingencies.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognizes the transaction price only to the extent that 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. Where the contract contains a significant financing component, the Group recognizes the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the amount of promised consideration and the cash selling price is amortized using an effective interest method over the contract term. The Group does not adjust the consideration for any effects of a significant financing component if it expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Group satisfies a performance obligation over time if one of the following criteria is met; or otherwise, a performance obligation is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the customer can control the asset created or enhanced during the Group's performance;
- the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (continued)

For performance obligation satisfied over time, the Group recognizes revenue over time by measuring the progress towards complete satisfaction of that performance obligation. Taking into account the nature of the goods, the Group adopts the output method or the input method to determine the appropriate progress of performance. Among them, the output method determines the progress of performance based on the value of the goods transferred to the customer. The input method determines the progress of performance based on the Group's input to meet performance obligations. For similar performance obligations under similar circumstances, the Group adopts the same method to determine the progress of performance. When the outcome of that performance obligation cannot be measured reasonably, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognizes revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

For performance obligation satisfied at a point in time, the Group recognizes revenue at the point in time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Group considers the following indicators:

- the Group has a present right to payment for the goods or services;
- the Group has transferred physical possession of the goods to the customer;
- the Group has transferred the legal title of the goods or the significant risks and rewards of ownership of the goods to the customer; and
- the customer has accepted the goods or services.

A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on factors other than the passage of time. The Group recognizes loss allowances for expected credit loss on contract assets (see Note III.9(6)). Receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The following is the details of the accounting policies regarding revenue from the Group's principal activities:

(1) Sales of electricity

The Group recognizes revenue when electricity is transmitted to end users or state-owned or local grid companies. When electricity is transmitted to an end user or a state-owned or local grid company, the Group obtains an unconditional right to receive payments relating to the revenue from sales of electricity and recognizes the receivables. The Group recognizes contract liabilities for amounts received in advance from customers and recognizes the performance as revenue when electricity is transmitted to end users or state-owned or local grid companies.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Revenue (continued)

(2) Sales of materials

The Group recognizes revenue when a customer accepts goods and obtains control of goods.

(3) Electricity installation engineering

The Group recognizes revenue in the process of fulfilling contracts with customers for electricity installation engineering in accordance with the progress of the performance of contracts. When the outcome of a contract can be reliably determined, the Group recognizes revenue over a period of time in accordance with the progress of performance. When the outcome of a contract cannot be reliably determined, the Group recognizes as revenue only those contract costs that it expects to recover.

22. Contract costs

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract that it would not have incurred if the contract had not been obtained, e.g. a sales commission. The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Assets recognized for the incremental costs of obtaining a contract and assets recognized for the costs to fulfil a contract (the "assets related to contract costs") are amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognized in profit or loss for the current period. If the amortization period of an asset recognized at incremental costs of obtaining a contract does not exceed one year, the Group elects to recognize it in profit or loss as incurred.

The Group recognizes an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds the difference between:

- remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates;
- the costs to be incurred for the transfer of the related goods or services.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Employee benefits

(1) Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or accrued at the applicable benchmarks and rates, are recognized as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(2) Post-employment benefits-defined contribution plans

Pursuant to the relevant laws and regulations of the PRC, the Group participated in a defined contribution basic pension insurance plan in the social insurance system established and managed by government organizations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions payable are recognized as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(3) Termination benefits

When the Group terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognized with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;
- When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

24. Government grants

A government grant is recognized when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to revenue are grants other than those related to assets. A government grant related to assets is recognized as deferred income and amortized over the useful life of the related asset in a reasonable and systematic manner as other income or non-operating income. A government grant related to revenue that compensates the Group for expenses or losses to be incurred in the future is recognized as deferred income, and included in other income or non-operating income in the periods in which the expenses or losses are recognized, otherwise, the grant is included in other income or non-operating income directly.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Specific reserve

The Group recognizes a safety fund in the specific reserve pursuant to relevant government regulations, with a corresponding increase in the costs of the related products or expenses.

When the safety fund is subsequently used for revenue expenditure, the specific reserve is reduced accordingly. On utilization of the safety fund for fixed assets, the specific reserve is reduced as the fixed assets are recognized, which is the time when the related assets are ready for their intended use; in such cases, an amount that corresponds to the reduction in the specific reserve is recognized in accumulated depreciation with respect to the related fixed assets. As a consequence, such fixed assets are not depreciated in subsequent periods.

26. Income tax

Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination or items recognized directly in equity (including other comprehensive income).

Current tax is the expected tax payable calculated at the applicable tax rate on taxable income for the year, plus any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset only if the Group has a legally enforceable right to set them off and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized.

If a single transaction is not a business combination and neither accounting profit nor taxable income (or deductible loss) is affected at the time of the transaction, and the assets and liabilities initially recognized do not result in equal amounts of taxable temporary difference and deductible temporary difference, then the temporary difference arising from the transaction will not incur deferred income tax. Deferred tax is not recognized for taxable temporary differences arising from the initial recognition of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets and liabilities is measured based on the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates that are expected to be applied in the period when the asset is recovered or the liability is settled in accordance with tax laws.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax asset to be utilized. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Income tax (continued)

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset if all the following conditions are met:

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

27. Lease

At inception of a contract, the Group assesses whether the contract is a lease or contains a lease. If one party under the contract transfers the right to control the use of one or more identified assets for a period of time in exchange for consideration, the contract is a lease or contains a lease.

Where the contract contains multiple lease components, the lessee and the lessor shall separate the lease components and account for each individual lease component separately. Where the contract includes both the lease and the non-lease component, the lessee and the lessor shall separate the lease and non-lease components.

The Group as a lessee

On the commencement date of lease period, the Group recognizes right-of-use assets and lease liabilities on leases.

The Group depreciates the right-of-use assets using the straight-line method. If it is reasonably certain that the lease will transfer ownership of the underlying asset to the lessee by the end of the lease term, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses are recognized in accordance with the accounting policy described in Note III.18.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The Group calculates interest expenses in each period during the lease term based on a constant periodic rate of interest, and recognizes the interest expenses in profit or loss or part of the cost of other related assets. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss or part of the cost of another related asset as incurred.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Lease (continued)

The Group as a lessee (continued)

After the commencement date, the Group remeasures the lease liability by discounting the revised lease payments, if either:

- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of an option to purchase the underlying asset, to extend or terminate the lease, or the exercise of the option to extend or terminate the lease is different from the previous assessment.

When the lease liability is re-measured, the Group recognizes the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in profit or loss.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases (leases that have a lease term of 12 months or less) and leases of low-value assets (individual leased assets that have a lower value when they are brand new assets), and recognizes the lease payments associated with these leases in profit or loss or as part of the cost of related assets on a straight-line basis over the lease term.

28. Assets held for sale and discontinued operations

(1) Assets held for sale

The Group classifies a non-current asset or disposal group as held for sale when the carrying amount of a non-current asset or disposal group will be recovered through a sale transaction rather than through continuing use.

A non-current asset or disposal group is classified as held for sale when all the following criteria are met:

- According to the customary practices of selling such asset or disposal group in similar transactions, the non-current asset or disposal group must be available for immediate sale in their present condition;
- Its sale is highly probable, that is, the Group has made a resolution on a sale plan and has obtained a firm purchase commitment. The sale is expected to be completed within one year.

Non-current assets or disposal groups held for sale are stated at the lower of carrying amount and fair value (see Note III.19) less costs to sell (except financial assets (see Note III.9) and deferred tax assets (see Note III.26)) initially and subsequently. Any excess of the carrying amount over the fair value (see Note III.19) less costs to sell is recognized as an impairment loss in profit or loss.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Assets held for sale and discontinued operations (continued)

(2) Discontinued operations

The Group classifies a separate component as a discontinued operation either upon disposal of the operation or when the operation meets the criteria to be classified as held for sale if it is separately identifiable and satisfies one of the following conditions:

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

Where an operation is classified as discontinued in the current period, profit or loss from continuing operations and profit or loss from discontinued operations are separately presented in the income statement for the current period. Profit or loss from continuing operation in the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

29. Dividend distribution

Dividend or profit distributions proposed in the profit appropriation plan, which will be approved after the balance sheet date, are not recognized as a liability at the balance sheet date but are disclosed in the notes separately.

30. Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the State and that have no other related party relationships are not regarded as related parties.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

31. Segment reporting

Reportable segments are identified based on the structure of the Group's internal organization, management requirements and internal reporting system. Two or more operating segments may be aggregated into a single operating segment if the segments have the similar economic characteristics and are same or similar in respect of the nature of each segment's products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Reportable segments are identified based on operating segment taking into consideration of the materiality principle.

In preparing segment reports, the Group measures the revenue from inter-segment transactions based on the actual transaction price. The accounting policies adopted for the preparation of segment reports are consistent with those adopted for the preparation of the Group's financial statements.

32. Significant accounting estimates and judgements

The preparation of financial statements requires the Group's management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. The key assumptions and uncertainties underlying the estimates are continually evaluated by the Group's management and the effects of changes in accounting estimates are recognized in the period in which the changes occur and in future periods.

For information about the assumption and their risk factors relating to financial instruments, please see Note III.9(6). Other key sources of significant estimation uncertainty are as follows:

(1) Contracts for electricity installation works

As explained in Note III.21(3), revenue from contracts for electricity installation works are recognized over time. The revenue recognition on an uncompleted project is dependent on estimating the total outcome of the construction contract, as well as the work done to date. Based on the Group's recent experience and the nature of the construction activity undertaken by the Group, the Group makes estimates of the point at which it considers the work is sufficiently advanced such that the outcome of contract can be reasonably measured. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of each reporting period, which would affect the revenue recognized in future years as an adjustment to the amounts recorded to date.

(2) Loss allowance of accounts and other receivables and contract assets

The Group uses the expected credit loss model to assess the impairment of accounts and other receivables and contract assets. The application of the expected credit loss model requires significant judgments and estimates to be made, taking into account all reasonable and supportable information, including forward-looking information. In making these judgments and estimates, the Group extrapolates expected changes in debtors' credit risk based on historical repayment data combined with factors such as economic policies, macroeconomic indicators and industry risks. Different estimates may affect the provision for impairment, and the provision for impairment that has been made may not equal the actual amount of impairment loss in the future.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Significant accounting estimates and judgements (continued)

(3) Depreciation and amortization

Property, plant and equipment and intangible assets are depreciated/amortized on a straight-line basis over the estimated useful lives of the assets. The Group reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortization to be recorded during any reporting period. The useful lives and residual values are based on the Group's technological experience with similar assets and taking into account anticipated technological changes. The depreciation/amortization for future periods is adjusted if there are material changes from previous estimates.

(4) Impairment of assets other than inventories and financial assets

As described in Note III.18, assets other than inventories and financial assets are reviewed at the end of each reporting period to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is recognized.

The recoverable amount of an asset (or an asset group) is the greater of its fair value less costs to sell and its present value of expected future cash flows. When a market price of the asset (or an asset group) cannot be obtained reliably, the fair value of the asset cannot be estimated reliably, the recoverable amount is calculated based on the present value of estimated future cash flows. In assessing the present value of estimated future cash flows, significant judgements are exercised to estimate the asset's production, selling price, related operating expenses and discount rate to calculate the present value. All relevant materials which can be obtained are used for estimation of the recoverable amount, including the estimation of the production, selling price and related operating expenses based on reasonable and supportable assumptions.

(5) Income taxes and deferred taxation

Determining deferred income tax involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognized for temporary deductible differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and unused tax credits can be utilized, management's judgement is required to assess the probability of future taxable profits. Management reassesses these estimates at the end of each reporting period. Additional deferred tax assets are recognized if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Changes in significant accounting policies and accounting estimates

(1) Description and reasons for changes in accounting policies

There were no significant changes in accounting policies during the year.

(2) Changes in accounting estimates

There were no significant changes in accounting estimates during the year.

IV. TAXATION

1. Major types of taxes and corresponding tax rates

Type of tax	Tax base	Tax rate
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue according to taxation laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable	6%, 9%, 13%
City maintenance and construction tax	Based on VAT effectively paid	5%, 7%
Education surcharges	Based on VAT effectively paid	3%
Local education surcharges	Based on VAT effectively paid	2%
Enterprise income tax	Based on taxable profits	15%, 25%
Property tax	Based on taxable property value or rental income	1.2% or 12%

2. Tax concessions

The Company and subsidiaries were incorporated in the PRC. Under the relevant PRC enterprise income tax law and respective regulations, except for preferential treatments available to certain subsidiaries as mentioned in (1) to (2) below, other subsidiaries within the Group are subject to enterprise income tax at the statutory rate of 25%.

- (1) According to the Notice on Tax Policies in relation to Further Implementation of the Western Development Strategy, enterprises established in western region and engaged in activities encouraged by the state are applicable to a preferential enterprise income tax rate of 15% from 2011 to 2030. Certain subsidiaries operate in the western region of the PRC and therefore can enjoy a preferential enterprise income tax rate of 15%, provided that their revenues from principal activities contribute more than 60% of their total revenues in each year.

Sichuan Energy Investment Yibin Xuzhou Electricity Co., Ltd., Sichuan Energy Investment Development and Construction Co., Ltd., Sichuan Energy Investment Gong County Electricity Co., Ltd., Sichuan Energy Investment Gao County Electricity Co., Ltd., Sichuan Energy Investment Pingshan Electricity Co., Ltd., Sichuan Energy Investment Xingwen Electricity Co., Ltd., Sichuan Energy Investment Junlian Electricity Co., Ltd. and Shuifu Yangliutan Power Generation Co., Ltd., subsidiaries of the Company, meet the above requirements, and are subject to the enterprise income tax at the rate of 15%.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

IV. TAXATION (CONTINUED)

2. Tax concessions (continued)

- (2) Pursuant to the Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises, in 2023, the annual taxable income of micro and small enterprises that is not more than RMB3 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%.

Sichuan Energy Investment Changning Green Energy Co., Ltd., Sichuan Energy Investment Junlian Green Energy Co., Ltd., Sichuan Energy Investment Xingwen Green Energy Co., Ltd. and Sichuan Energy Xingwen Clean Energy Technology Co., Ltd., subsidiaries of the Company, are qualified as micro and small enterprises and their annual taxable income shall be included in their taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20% (2024: included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%).

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS

1. Cash at bank and on hand

Item	2025	2024
Bank deposits	432,138,884.95	553,875,808.46
Other cash at bank and on hand	23,300.00	16,023,300.00
Total	432,162,184.95	569,899,108.46

Other cash at bank and on hand at the end of the year represented the electricity transactions deposits and ETC deposits deposited in the bank guarantee accounts.

2. Bills receivable

(1) Bills receivable by category

Category	2025	2024
Bank acceptances	5,812,189.70	—
Less: Provision for bad and doubtful debts	—	—
Total	5,812,189.70	—

All bills receivable above are due within one year.

- (2) The Group had no pledged bills receivable at the end of the year.
- (3) At the end of the year, the Group had no bills transferred to accounts receivable due to non-performance of the drawer.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable

(1) Accounts receivable by customer type is as follows:

Customer type	2025	2024
Receivable due from related parties	14,091,995.04	40,987,450.10
Receivable due from others	948,861,530.36	1,019,029,902.97
Subtotal	962,953,525.40	1,060,017,353.07
Less: Provision for bad and doubtful debts	192,375,043.13	172,445,554.89
Total	770,578,482.27	887,571,798.18

(2) Accounts receivable by ageing is as follows:

Ageing	2025	2024
Within 1 year (inclusive)	717,844,207.76	839,684,329.46
1 to 2 years (inclusive)	84,731,970.76	81,172,860.88
2 to 3 years (inclusive)	57,105,849.65	49,453,876.73
Over 3 years	103,271,497.23	89,706,286.00
Subtotal	962,953,525.40	1,060,017,353.07
Less: Provision for bad and doubtful debts	192,375,043.13	172,445,554.89
Total	770,578,482.27	887,571,798.18

The ageing is counted starting from the date when accounts receivable are recognized.

(3) Accounts receivable by provision method

Category	2025					2024				
	Book balance		Provision for bad and doubtful debts		Carrying amount	Carrying balance		Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad and doubtful debts on individual basis	53,620,015.70	5.57	53,620,015.70	100.00	—	52,610,408.41	4.96	52,610,408.41	100.00	—
Provision for bad and doubtful debts on portfolio basis	909,333,509.70	94.43	138,755,027.43	15.26	770,578,482.27	1,007,406,944.66	95.04	119,835,146.48	11.90	887,571,798.18
— Electricity fees receivable	442,604,541.57	45.96	10,689,749.85	2.42	431,914,791.72	566,559,893.72	53.45	13,854,322.64	2.45	552,705,571.08
— Construction amounts receivable	466,728,968.13	48.47	128,065,277.58	27.44	338,663,690.55	440,847,050.94	41.59	105,980,823.84	24.04	334,866,227.10
Total	962,953,525.40	100.00	192,375,043.13	19.98	770,578,482.27	1,060,017,353.07	100.00	172,445,554.89	16.27	887,571,798.18

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (continued)

(3) Accounts receivable by provision method (continued)

(a) Reasons for provision for bad and doubtful debts on individual basis in 2025:

Name	Closing balance	Balance of provision for bad and doubtful debts	Reasons for provision
Company A	26,628,851.79	(26,628,851.79)	It is determined that the amount cannot be recovered based on the counterparty's operating status
Company B	3,470,602.39	(3,470,602.39)	It is determined that the amount cannot be recovered based on the counterparty's operating status
Company C	2,497,000.00	(2,497,000.00)	It is determined that the amount cannot be recovered based on the counterparty's operating status
Company D	2,321,606.94	(2,321,606.94)	It is determined that the amount cannot be recovered based on the counterparty's operating status
Company E	2,207,740.45	(2,207,740.45)	It is determined that the amount cannot be recovered based on the counterparty's operating status
Company F	2,072,688.73	(2,072,688.73)	It is determined that the amount cannot be recovered based on the counterparty's operating status
Company G	1,948,260.80	(1,948,260.80)	It is determined that the amount cannot be recovered based on the counterparty's operating status
Other customers	12,473,264.60	(12,473,264.60)	It is determined that the amount cannot be recovered based on the counterparty's operating status
Total	<u>53,620,015.70</u>	<u>(53,620,015.70)</u>	

(b) Recognition criteria and explanation of provision for bad and doubtful debts on portfolio basis in 2025:

The Group classifies accounts receivable into different portfolios based on credit risk characteristics with reference to historical credit loss experience and in combination with current conditions and forecasts of future economic conditions, and calculates ECLs on portfolio basis. The Group classifies accounts receivable into two portfolios based on the nature of the company and the accounts receivable:

Portfolio 1 Electricity fees receivable

Portfolio 2 Construction amounts receivable

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**3. Accounts receivable (continued)****(3) Accounts receivable by provision method (continued)**

- (c) Assessment of expected credit losses (the "ECLs") on accounts receivable:

The Group measures provision for impairment for accounts receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix.

31 December 2025

Portfolio 1: portfolio of electricity fees receivable

	Expected credit loss rate	Closing book balance	Closing provision for impairment
Not yet overdue	0.5%	429,806,068.53	2,088,651.75
Overdue for 1 to 36 months	45%	6,737,363.35	3,020,238.27
Overdue for 37 to 60 months	67%	1,455,302.61	975,052.75
Overdue for more than 61 months	100%	<u>4,605,807.08</u>	<u>4,605,807.08</u>
Total		<u>442,604,541.57</u>	<u>10,689,749.85</u>

Portfolio 2: portfolio of construction amounts receivable

	Expected credit loss rate	Closing book balance	Closing provision for impairment
Not yet overdue	2.8%	127,218,506.19	3,570,129.89
Overdue for 1 to 36 months	27%	284,999,729.83	76,563,116.35
Overdue for 37 to 60 months	84%	40,788,594.80	34,209,894.03
Overdue for more than 61 months	100%	<u>13,722,137.31</u>	<u>13,722,137.31</u>
Total		<u>466,728,968.13</u>	<u>128,065,277.58</u>

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (continued)

(3) Accounts receivable by provision method (continued)

(c) Assessment of expected credit losses (the "ECLs") on accounts receivable: (continued)

31 December 2024

Portfolio 1: portfolio of electricity fees receivable

	Expected credit loss rate	Closing book balance	Closing provision for impairment
Not yet overdue	0.5%	543,125,710.67	2,714,884.09
Overdue for 1 to 36 months	34%	17,991,681.53	6,174,526.92
Overdue for 37 to 60 months	67%	1,447,242.09	969,652.20
Overdue for more than 61 months	100%	<u>3,995,259.43</u>	<u>3,995,259.43</u>
Total		<u>566,559,893.72</u>	<u>13,854,322.64</u>

Portfolio 2: portfolio of construction amounts receivable

	Expected credit loss rate	Closing book balance	Closing provision for impairment
Not yet overdue	2.8%	144,549,881.13	4,071,213.34
Overdue for 1 to 36 months	26%	256,789,198.22	66,649,147.65
Overdue for 37 to 60 months	83%	25,338,825.85	21,091,317.11
Overdue for more than 61 months	100%	<u>14,169,145.74</u>	<u>14,169,145.74</u>
Total		<u>440,847,050.94</u>	<u>105,980,823.84</u>

Expected credit loss rates are calculated based on the actual credit loss experiences in the past 5 years and are adjusted based on the differences among the economic conditions of the period of historic data collection, the current economic conditions and the Group's view of economic conditions over the expected lives.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (continued)

(4) Movements in the provision for bad and doubtful debts:

Item	2025				2024			
	Individual provision	Portfolio of electricity fees receivable	Portfolio of construction amounts receivable	Total	Individual provision	Portfolio of electricity fees receivable	Portfolio of construction amounts receivable	Total
Opening balance	52,610,408.41	13,854,322.64	105,980,823.84	172,445,554.89	60,450,421.59	12,194,978.92	82,000,417.95	154,645,818.46
Provision/(reversal) for the year	1,495,114.28	(3,164,572.79)	22,084,453.74	20,414,995.23	(6,052,122.96)	1,659,343.72	24,342,931.43	19,950,152.19
Written-off for the year	(485,506.99)	—	—	(485,506.99)	(1,787,890.22)	—	(362,525.54)	(2,150,415.76)
Closing balance	53,620,015.70	10,689,749.85	128,065,277.58	192,375,043.13	52,610,408.41	13,854,322.64	105,980,823.84	172,445,554.89

Below significant changes in the book balance of accounts receivable resulted in an increase in the provision for bad and doubtful debts receivables in 2025:

- The book amount of trade receivables for power construction engineering that were overdue for more than three years increased by RMB15,002,760.52, resulting in an increase in the provision for bad and doubtful debts of RMB12,671,568.49;

4. Prepayments

The ageing analysis of prepayments is as follows:

Ageing	2025		2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (inclusive)	27,065,036.24	88.70	94,517,132.61	95.67
Over 1 year	3,449,563.52	11.30	4,281,630.03	4.33
Total	30,514,599.76	100.00	98,798,762.64	100.00

The ageing is counted starting from the date when prepayments are recognized. The prepayments with ages over 1 year mainly represent the Group's prepayment for construction works installation service, equipment and materials, which are outstanding mainly because that the relevant construction works have not been commenced, the relevant equipment and materials have not yet arrived or the installation and commissioning have not been completed.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables

	Note	2025	2024
Dividends receivable		—	11,856,708.32
Others	(1)	88,343,289.15	71,085,647.02
Total		88,343,289.15	82,942,355.34

(1) Others

(a) Other receivables by customer type:

Customer type	2025	2024
Receivable due from related parties	5,569,615.41	14,452,867.29
Receivable due from other companies	122,418,546.52	91,322,223.91
Subtotal	127,988,161.93	105,775,091.20
Less: Provision for bad and doubtful debts	39,644,872.78	34,689,444.18
Total	88,343,289.15	71,085,647.02

(b) The ageing analysis of other receivables is as follows:

Ageing	2025	2024
Within 1 year (inclusive)	65,963,516.23	46,231,336.99
1 to 2 years (inclusive)	5,454,252.88	27,110,396.69
2 to 3 years (inclusive)	26,349,754.85	252,222.76
Over 3 years	30,220,637.97	32,181,134.76
Subtotal	127,988,161.93	105,775,091.20
Less: Provision for bad and doubtful debts	39,644,872.78	34,689,444.18
Total	88,343,289.15	71,085,647.02

The ageing is counted starting from the date when other receivables are recognized.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (continued)

(1) Others (continued)

- (c) Other receivables by provision method

Based on the Group's historical experience, there is no significant difference in the loss of different categories of other receivables and therefore no further distinction is made between different portfolios in the calculation of provision for bad and doubtful debts.

- (d) Movements in the provision for bad and doubtful debts

Provision for bad and doubtful debts	2025				2024			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
	12-month ECL	Lifetime ECL— not credit — impaired	Lifetime ECL— credit — impaired		12-month ECL	Lifetime ECL— not credit — impaired	Lifetime ECL— credit — impaired	
Opening balance	1,845,697.38	1,530,362.13	31,313,384.67	34,689,444.18	1,490,634.68	171,240.80	36,309,444.11	37,971,319.59
Provision/(Reversal) for the year	222,201.23	7,035,348.80	(1,706,493.81)	5,551,056.22	355,062.70	1,359,121.33	(4,891,259.44)	(3,177,075.41)
Written-off for the year	—	—	(595,627.62)	(595,627.62)	—	—	(104,800.00)	(104,800.00)
Closing balance	2,067,898.61	8,565,710.93	29,011,263.24	39,644,872.78	1,845,697.38	1,530,362.13	31,313,384.67	34,689,444.18

6. Inventories

(1) Inventories by category

Type of inventories	2025			2024		
	Book balance	Provision for impairment of inventories	Carrying amount	Book balance	Provision for impairment of inventories	Carrying amount
Raw materials	69,194,480.84	425,294.42	68,769,186.42	64,610,779.79	72,545.53	64,538,234.26
Low-value consumables	49,807.94	—	49,807.94	93,736.30	—	93,736.30
Total	69,244,288.78	425,294.42	68,818,994.36	64,704,516.09	72,545.53	64,631,970.56

The Group had no inventories for guarantee at the end of the year (2024: Nil).

The Group recognised a provision for impairment of inventories during the year because certain materials required for power construction engineering no longer met actual production requirements, and their net realisable value was lower than their carrying amount.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Contract assets

(1) Analysis of contract assets by nature is as follows:

Item	2025			2024		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Unsettled electricity installation works under construction	<u>120,959,765.02</u>	<u>5,858,290.93</u>	<u>115,101,474.09</u>	<u>288,253,706.08</u>	<u>5,856,707.60</u>	<u>282,396,998.48</u>

(a) The Group's contracts for electricity installation works include payment schedules which require stage payments over the construction period once milestones are reached. The Group recognizes as contract assets the portion of the construction progress that exceeds the payments made by the customers.

(b) All contract assets at the end of the year are expected to be transferred to receivables within one year.

(2) Provision for impairment of contract assets in the current year:

2025

Item	Opening balance	Provision for the year	Reversal for the year	Charged-off or written-off for the year	Closing balance
Unsettled electricity installation works under construction	<u>5,856,707.60</u>	<u>1,583.33</u>	<u>—</u>	<u>—</u>	<u>5,858,290.93</u>
Total	<u>5,856,707.60</u>	<u>1,583.33</u>	<u>—</u>	<u>—</u>	<u>5,858,290.93</u>

2024

Item	Opening balance	Provision for the year	Reversal for the year	Charged-off or written-off for the year	Closing balance
Unsettled electricity installation works under construction	<u>3,943,556.53</u>	<u>1,913,151.07</u>	<u>—</u>	<u>—</u>	<u>5,856,707.60</u>
Total	<u>3,943,556.53</u>	<u>1,913,151.07</u>	<u>—</u>	<u>—</u>	<u>5,856,707.60</u>

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other current assets

Item	2025	2024
Deductible input tax	47,255,259.23	15,269,697.42
Prepaid income tax	15,016,243.47	2,473,124.91
Other taxes prepaid	72,388.78	71,306.25
Total	62,343,891.48	17,814,128.58

9. Long-term equity investments

(1) Long-term equity investments by category:

Item	2025	2024
Investments in associates	322,667,496.91	350,904,753.18
Less: Provision for impairment — Associates	345,000.00	345,000.00
Total	322,322,496.91	350,559,753.18

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Long-term equity investments (continued)

(2) Movements of long-term equity investments for the year are analyzed as follows:

2025

Investee	Opening book balance	Reduced investment	Investment Income/(loss) recognized under equity method	Declaration of cash dividends or profits	Closing book balance	Closing and opening balance of provision for impairment
Associate						
Emeishan Jinkun Micro-credit Co., Ltd. (峨眉山市金坤小額貸款有限公司)	53,425,099.12	—	68,538.45	—	53,493,637.57	—
Yibin Xuzhou District Jinkun Micro-credit Co., Ltd. (宜賓市敘州區金坤小額貸款有限公司)	106,768,461.83	—	346,128.70	—	107,114,590.53	—
Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限責任公司)	14,216,276.27	—	818,177.74	(469,517.28)	14,564,936.73	—
Xingwen County Daguang Cement Products Co., Ltd. (興文縣大光水泥製品有限責任公司)	345,000.00	—	—	—	345,000.00	345,000.00
Xuyong County Jiangmen New District Electricity Development Co., Ltd. (敘永縣江門新區電力開發有限公司) (a)	48,233,687.21	—	(863,282.80)	—	47,370,404.41	—
Pingshan Jinping Real Estate Development Co., Ltd. (屏山金屏房地產開發有限公司)	14,747,127.24	(13,460,535.17)	(1,286,592.07)	—	—	—
Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	113,169,101.51	—	(13,390,173.84)	—	99,778,927.67	—
Total	350,904,753.18	(13,460,535.17)	(14,307,203.82)	(469,517.28)	322,667,496.91	345,000.00

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Long-term equity investments (continued)

(2) Movements of long-term equity investments for the year are analyzed as follows: (continued)

2024

Investee	Opening book balance	Investment income/(loss) recognized under equity method	Additional investment	Declaration of cash dividends or profits	Closing book balance	Closing and opening balance of provision for impairment
Associates						
Emeishan Jinkun Micro-credit Co., Ltd. (峨眉山市金坤小額貸款有限公司)	52,556,891.86	868,207.26	—	—	53,425,099.12	—
Yibin Xuzhou District Jinkun Micro-credit Co., Ltd. (宜賓市敘州區金坤小額貸款有限公司)	106,231,729.25	536,732.58	—	—	106,768,461.83	—
Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限責任公司)	14,416,240.58	1,200,746.33	—	(1,400,710.64)	14,216,276.27	—
Xingwen County Daguang Cement Products Co., Ltd. (興文縣大光水泥製品有限責任公司)	345,000.00	—	—	—	345,000.00	345,000.00
Xuyong County Jiangmen New District Electricity Development Co., Ltd. (敘永縣江門新區電力開發有限公司) (a)	49,519,195.19	(1,285,507.98)	—	—	48,233,687.21	—
Pingshan Jinping Real Estate Development Co., Ltd. (屏山金屏房地產開發有限公司)	27,553,364.70	(949,529.14)	—	(11,856,708.32)	14,747,127.24	—
Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	118,983,833.23	(5,814,731.72)	—	—	113,169,101.51	—
Tota	<u>369,606,254.81</u>	<u>(5,444,082.67)</u>	<u>—</u>	<u>(13,257,418.96)</u>	<u>350,904,753.18</u>	<u>345,000.00</u>

(a) Investment in associates includes receivables granted to associates of RMB37,939,548.63 (2024: RMB37,939,548.63), which is unsecured, interest-free and have no fixed terms of payment. The Group has no intention to recover the amount in the next year.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Fixed assets

(1) Information on fixed assets

Item	Plant and buildings	Machinery and equipment	Motor vehicles	Office and other equipment	Total
Cost					
Balance as at 1 January 2024	1,451,373,565.47	4,297,634,121.54	47,337,329.31	216,808,173.19	6,013,153,189.51
Addition during the year	31,520,804.42	547,554,743.42	5,354,175.97	17,168,003.90	601,597,727.71
— Purchase	15,837,485.63	1,577,942.92	5,354,175.97	8,231,198.43	31,000,802.95
— Transferred from construction in progress	15,683,318.79	545,976,800.50	—	8,936,805.47	570,596,924.76
Disposal or scrap during the year	(45,475.73)	(27,009,545.21)	(1,421,367.35)	(4,535,913.62)	(33,012,301.91)
Balance as at 31 December 2024	1,482,848,894.16	4,818,179,319.75	51,270,137.93	229,440,263.47	6,581,738,615.31
Addition during the year	18,834,090.19	911,522,886.34	4,001,964.60	7,774,671.52	942,133,612.65
— Purchase	3,213,819.68	124,869,225.86	4,001,964.60	3,992,954.13	136,077,964.27
— Transferred from construction in progress	15,620,270.51	786,653,660.48	—	3,781,717.39	806,055,648.38
Disposal or scrap during the year	(360,000.00)	(41,478,421.79)	(597,947.89)	(2,540,038.33)	(44,976,408.01)
Balance as at 31 December 2025	1,501,322,984.35	5,688,223,784.30	54,674,154.64	234,674,896.66	7,478,895,819.95
Accumulated depreciation					
Balance as at 1 January 2024	498,196,988.60	1,453,114,557.90	30,157,516.84	97,730,719.96	2,079,199,783.30
Provision for the year	35,145,317.26	172,627,127.11	2,698,563.48	22,013,228.49	232,484,236.34
Disposal or scrap during the year	(43,201.94)	(19,834,167.05)	(1,327,529.87)	(4,239,276.39)	(25,444,175.25)
Balance as at 31 December 2024	533,299,103.92	1,605,907,517.96	31,528,550.45	115,504,672.06	2,286,239,844.39
Provision for the year	35,104,164.13	191,633,388.56	3,131,276.51	22,882,819.81	252,751,649.01
Disposal or scrap during the year	(160,740.00)	(33,061,279.18)	(568,050.48)	(2,411,862.06)	(36,201,931.72)
Balance as at 31 December 2025	568,242,528.05	1,764,479,627.34	34,091,776.48	135,975,629.81	2,502,789,561.68
Impairment provision					
Balance as at 1 January 2024	11,478,952.72	33,705,786.54	141,043.59	133,133.86	45,458,916.71
Provision for the year	—	21,000.00	—	—	21,000.00
Disposal or scrap during the year	—	(4,841,780.52)	—	(27,094.58)	(4,868,875.10)
Balance as at 31 December 2024	11,478,952.72	28,885,006.02	141,043.59	106,039.28	40,611,041.61
Provision for the year	—	824,592.66	—	—	824,592.66
Disposal or scrap during the year	(199,260.00)	(7,002,130.29)	—	(210.00)	(7,201,600.29)
Balance as at 31 December 2025	11,279,692.72	22,707,468.39	141,043.59	105,829.28	34,234,033.98
Carrying amount					
Carrying amount as at 31 December 2025	921,800,763.58	3,901,036,688.57	20,441,334.57	98,593,437.57	4,941,872,224.29
Carrying amount as at 1 January 2025	938,070,837.52	3,183,386,795.77	19,600,543.89	113,829,552.13	4,254,887,729.31

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Fixed assets (continued)

(1) Information on fixed assets (continued)

- (a) As at 31 December 2025, plant and buildings of the Group with a net carrying amount of RMB23,670,280.69 (2024: RMB121,659,330.79) had not obtained the certificate of ownership.
- (b) No property, plant and equipment were pledged to banks as at 31 December 2025 (2024: nil).
- (c) All of the property, plant and equipment owned by the Group are located in the Chinese mainland.
- (d) During the year, certain property, plant and equipment were physically damaged or ceased for operation. The Group assessed the recoverable amounts of those property, plant and equipment as nil and as a result, impairment loss of RMB824,592.66 (2024: RMB21,000.00) was recognized in "Asset impairment losses" for the year.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Right-of-use assets

The Group as lessee

Right-of-use assets

item	Plant and buildings
Cost	
Balance as at 1 January 2024	19,981,675.83
Increase during the year	3,972,166.81
Decrease during the year	(799,173.69)
	23,154,668.95
Balance as at 31 December 2024	7,207,259.84
Increase during the year	(403,774.45)
Decrease during the year	(403,774.45)
	29,958,154.34
	29,958,154.34
Accumulated depreciation	
Balance as at 1 January 2024	13,092,203.03
Provision for the year	2,802,162.98
Decrease during the year	(799,173.69)
	15,095,192.32
Balance as at 31 December 2024	4,582,865.53
Increase during the year	4,582,865.53
Decrease during the year	(403,774.45)
	19,274,283.40
	19,274,283.40
Carrying amount	
Balance as at 31 December 2025	10,683,870.94
	10,683,870.94
Balance as at 1 January 2025	8,059,476.63
	8,059,476.63

Details of the Group's specific arrangements for leasing activities are set out in Notes V. 49.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Construction in progress

	Note	2025	2024
Construction in progress	(1)	431,353,400.60	429,066,765.00
Engineering materials	(2)	44,415,248.00	29,129,756.73
total		475,768,648.60	458,196,521.73

(1) Information on construction in progress

Item	2025			2024		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Power grid construction project	299,427,248.89	—	299,427,248.89	352,161,660.08	—	352,161,660.08
Others	131,926,151.71	—	131,926,151.71	76,905,104.92	—	76,905,104.92
Total	431,353,400.60	—	431,353,400.60	429,066,765.00	—	429,066,765.00

Movements in construction in progress in 2025 are as follows:

Item	Opening balance	Increase during the year	Transfer to fixed assets during the year	Other transfer-out during the year	Closing balance
Power grid construction project	352,161,660.08	668,014,000.09	(720,748,411.28)	—	299,427,248.89
Others	76,905,104.92	140,328,283.89	(85,307,237.10)	—	131,926,151.71
Total	429,066,765.00	808,342,283.98	(806,055,648.38)	—	431,353,400.60

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Construction in progress (continued)

(2) Engineering materials

Item	2025			2024		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Power grid construction project	43,388,454.91	—	43,388,454.91	26,241,563.07	—	26,241,563.07
Others	1,026,793.09	—	1,026,793.09	2,888,193.66	—	2,888,193.66
Total	44,415,248.00	—	44,415,248.00	29,129,756.73	—	29,129,756.73

Movements in engineering materials in 2025 are as follows:

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Power grid construction project	26,241,563.07	99,912,606.41	(82,765,714.57)	43,388,454.91
Others	2,888,193.66	321,327.67	(2,182,728.24)	1,026,793.09
Total	29,129,756.73	100,233,934.08	(84,948,442.81)	44,415,248.00

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Intangible assets

(1) Information on intangible assets

Item	Land use right	Software	Total
Cost			
Balance as at 1 January 2024	179,620,355.43	33,694,314.48	213,314,669.91
purchased	<u>58,389,140.67</u>	<u>2,108,153.95</u>	<u>60,497,294.62</u>
Balance as at 31 December 2024	238,009,496.10	35,802,468.43	273,811,964.53
purchased	<u>16,620,484.80</u>	<u>3,859,766.28</u>	<u>20,480,251.08</u>
Balance as at 31 December 2025	<u>254,629,980.90</u>	<u>39,662,234.71</u>	<u>294,292,215.61</u>
Accumulated amortization			
Balance as at 1 January 2024	37,387,309.01	19,199,199.64	56,586,508.65
Provision during the year	<u>3,902,799.81</u>	<u>2,172,834.84</u>	<u>6,075,634.65</u>
Balance as at 31 December 2024	41,290,108.82	21,372,034.48	62,662,143.30
Provision during the year	<u>5,229,707.90</u>	<u>3,090,118.28</u>	<u>8,319,826.18</u>
Balance as at 31 December 2025	<u>46,519,816.72</u>	<u>24,462,152.76</u>	<u>70,981,969.48</u>
Provision for impairment			
Balance as at 1 January 2024	—	428,795.79	428,795.79
Provision during the year	<u>—</u>	<u>—</u>	<u>—</u>
Balance as at 31 December 2024	—	428,795.79	428,795.79
Provision during the year	<u>—</u>	<u>—</u>	<u>—</u>
Balance as at 31 December 2025	<u>—</u>	<u>428,795.79</u>	<u>428,795.79</u>
Carrying amount			
31 December 2025	<u>208,110,164.18</u>	<u>14,771,286.16</u>	<u>222,881,450.34</u>
1 January 2025	<u>196,719,387.28</u>	<u>14,001,638.16</u>	<u>210,721,025.44</u>

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Intangible assets (continued)

(2) Information on land use rights for which certificates of ownership had not been obtained

Item	Carrying amount	Reasons for having not obtained certificates of ownership
Guanyin Power Supply Station -Liujia3KV transformer substation	261,896.65	Unable to apply due to collective land
Yongxing 35KV transformer substations land	74,660.80	Unable to apply due to collective land
Machang transformer substations land	186,795.00	Unable to apply due to collective land
Land for resettlement and relocation of the Qingping Power Supply Unit	36,148	Unable to apply due to immigrant instrument land
Xijie 35KV transformer substation	1,160,000.00	Unable to apply due to collective land
Yunlong Temple enlarged land	5,454,030.60	Application in progress
Lot XWJK-C-10-05 in Xingwen Kongtie new district	33,119,377.08	Application in progress
Total	40,292,908.15	

14. Long-term prepaid expenses

2025

Item	Opening balance	Increase during the year	Amortization for the year	Other decrease	Closing balance
Power station renovation and line repair works	3,248,352.82	3,944,304.17	3,088,116.96	—	4,104,540.03
Refurbishment fee	2,622,054.63	2,532,121.86	1,276,064.61	—	3,878,111.88
Others	—	274,506.48	4,867.68	—	269,638.80
Less: Provision for impairment	—	—	—	—	—
Total	5,870,407.45	6,750,932.51	4,369,049.25	—	8,252,290.71

2024

Item	Opening balance	Increase during the year	Amortization for the year	Other decrease	Closing balance
Power station renovation and line repair works	5,684,024.65	1,552,290.35	3,987,962.18	—	3,248,352.82
Refurbishment fee	2,701,809.41	1,999,613.72	2,079,368.50	—	2,622,054.63
Others	44,322.12	—	44,322.12	—	—
Less: Provision for impairment	—	—	—	—	—
Total	8,430,156.18	3,551,904.07	6,111,652.80	—	5,870,407.45

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Deferred income tax assets and deferred income tax liabilities

(1) Deferred income tax assets and deferred income tax liabilities

Item	2025		2024	
	Deductible or taxable temporary differences ("()") for taxable temporary differences	Deferred income tax assets/liabilities ("()") for liabilities	Deductible or taxable temporary differences ("()") for taxable temporary differences	Deferred income tax assets/liabilities ("()") for liabilities
Deferred income tax assets:				
Provision for impairment of assets	311,044,901.50	46,681,810.86	292,184,243.15	43,861,594.58
Government grants	16,524,441.76	2,478,666.27	20,186,064.91	3,027,909.74
Lease liabilities	8,819,908.80	1,322,986.32	5,848,835.67	877,325.35
Others	315,767,297.27	47,365,093.39	244,310,368.07	36,646,555.21
Subtotal	652,156,549.33	97,848,556.84	562,529,511.80	84,413,384.88
Eliminations		15,002,389.60		15,383,889.90
Amount after eliminations		82,846,167.24		69,029,494.98
Deferred income tax liabilities:				
Valuation appreciation of fixed assets	(177,262,511.69)	(26,589,377.04)	(183,569,736.43)	(27,535,460.75)
Right-of-use assets	(10,683,870.94)	(1,602,580.64)	(8,059,476.60)	(1,208,921.50)
Subtotal	(187,946,382.63)	(28,191,957.68)	(191,629,213.03)	(28,744,382.25)
Eliminations		(15,002,389.60)		(15,383,889.90)
Amount after eliminations		(13,189,568.08)		(13,360,492.35)

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Deferred income tax assets and deferred income tax liabilities (continued)

(2) Breakdown of unrecognized deferred income tax assets

Item	2025	2024
Deductible losses	<u>44,338,857.57</u>	44,546,919.40
Total	<u>44,338,857.57</u>	<u>44,546,919.40</u>

(3) Maturity profile of deductible losses for which no deferred tax assets were recognized

Year	2025	2024
2025	—	—
2026	15,273,557.29	19,844,933.40
2027	—	—
2028	8,384,005.37	8,384,005.37
2029	16,317,980.63	16,317,980.63
2030	<u>4,363,314.28</u>	—
Total	<u>44,338,857.57</u>	<u>44,546,919.40</u>

(4) Unrecognized deferred income tax liabilities

The Group had no unrecognized deferred tax liabilities at the end of the year.

(5) Movements in deferred income tax (assets)/liabilities

Deferred tax arising from	Revaluation of						Total
	Provision for impairment	property, plant and equipment	Government grants	Right-of-use assets	Lease liabilities	Others	
1 January 2024	(42,396,742.28)	28,491,540.15	(3,077,227.74)	1,033,420.91	(871,871.27)	(23,730,138.04)	(40,551,018.27)
(Credited)/charged to profit or loss	<u>(1,464,852.30)</u>	<u>(956,079.40)</u>	<u>49,318.00</u>	<u>175,500.59</u>	<u>(5,454.08)</u>	<u>(12,916,417.17)</u>	<u>(15,117,984.36)</u>
31 December 2024	(43,861,594.58)	27,535,460.75	(3,027,909.74)	1,208,921.50	(877,325.35)	(36,646,555.21)	(55,669,002.63)
(Credited)/charged to profit or loss	<u>(2,820,216.28)</u>	<u>(946,083.71)</u>	<u>549,243.47</u>	<u>393,659.14</u>	<u>(445,660.97)</u>	<u>(10,718,538.18)</u>	<u>(13,987,596.53)</u>
31 December 2025	<u>(46,681,810.86)</u>	<u>26,589,377.04</u>	<u>(2,478,666.27)</u>	<u>1,602,580.64</u>	<u>(1,322,986.32)</u>	<u>(47,365,093.39)</u>	<u>(69,656,599.16)</u>

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**16. Short-term borrowings****(1)** Category of short-term borrowings:

Item	2025	2024
Unsecured borrowings	<u>260,000,000.00</u>	<u>100,000,000.00</u>
Total	<u>260,000,000.00</u>	<u>100,000,000.00</u>

(2) Overdue outstanding short-term borrowings:

The Group had no overdue outstanding short-term borrowings at the end of the year.

17. Notes payable

Item	2025	2024
Letter of credit	<u>150,000,000.00</u>	<u>—</u>
Total	<u>150,000,000.00</u>	<u>—</u>

18. Accounts payable**(1)** Accounts payable by nature are as follows:

Item	2025	2024
Payment for purchase of electricity	<u>357,875,661.78</u>	<u>349,847,255.83</u>
Construction payment	<u>265,365,828.03</u>	<u>383,677,892.04</u>
Materials payment	<u>333,345,411.91</u>	<u>391,542,193.49</u>
other	<u>16,411,752.73</u>	<u>6,340,742.54</u>
Total	<u>972,998,654.45</u>	<u>1,131,408,083.90</u>

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Accounts payable (continued)

(2) Accounts payable by aging are as follows:

The ageing analysis of accounts payable based on the invoice date is as follows:

Ageing	2025	2024
Within 1 year (inclusive)	912,969,322.37	1,061,910,061.93
1 to 2 years (inclusive)	39,203,551.33	50,470,693.86
2 to 3 years (inclusive)	9,749,248.62	7,192,362.84
Over 3 years	11,076,532.13	11,834,965.27
Total	972,998,654.45	1,131,408,083.90

19. Contract liabilities

Item	2025	2024
Electricity fee received in advance	188,445,717.02	325,717,719.00
Electrical project payment in advance	7,775,674.29	181,819,808.07
Total	196,221,391.31	507,537,527.07

The Group normally receives prepayment for electricity from customers. Prior to selling electricity to these customers, the Group will recognize contract liability for the prepaid amount. If the Group receives advance payments from customers before construction begins or if the amount settled exceeds the progress of the project, contract liability will be recognized until the progress of the project recognized exceeds the amount of advance payments received. All contract liabilities at the end of the current year are expected to be recognized as revenue within 24 months.

Material movements in the Group's balance of contract liabilities during the year are as follows:

Reason for change	Electricity payment received in advance	Electricity project payment	Total
Increase due to cash received (excluding amount recognized as revenue during the year)	188,445,717.02	1,507,770.64	189,953,487.66
Revenue recognized from the amount included in the opening carrying amount of contract liabilities	<u>(325,717,719.00)</u>	<u>(175,551,904.42)</u>	<u>(501,269,623.42)</u>
Total	<u>(137,272,001.98)</u>	<u>(174,044,133.78)</u>	<u>(311,316,135.76)</u>

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Employee benefits payable

(1) Employee benefits payable are presented as follows:

2025

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Short-term benefits	175,750,662.66	473,043,610.08	472,909,484.29	175,884,788.45
Post-employment benefits				
— defined contribution plans	—	72,479,929.68	72,479,929.68	—
Total	175,750,662.66	545,523,539.76	545,389,413.97	175,884,788.45

2024

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Short-term benefits	147,004,535.58	473,703,204.54	444,957,077.46	175,750,662.66
Post-employment benefits				
— defined contribution plans	—	63,890,240.36	63,890,240.36	—
Total	147,004,535.58	537,593,444.90	508,847,317.82	175,750,662.66

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Employee benefits payable (continued)

(2) Short-term benefits

2025

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Salaries, bonuses, allowances and subsidies	168,712,872.52	378,690,233.14	378,913,145.66	168,489,960.00
Staff welfare	—	15,459,263.55	15,459,263.55	—
Social insurance	22,480.63	27,477,202.96	27,477,202.92	22,480.67
— Medical insurance	19,259.80	23,935,375.51	23,936,401.96	18,233.35
— Work injury insurance	2,989.62	3,140,444.39	3,139,417.90	4,016.11
— Maternity insurance	231.21	401,383.06	401,383.06	231.21
Housing provident fund	(6,271.80)	39,187,497.36	39,116,330.36	64,895.20
Labour union operating funds and staff education funds	7,021,581.31	11,407,746.42	11,121,875.15	7,307,452.58
Other short-term benefits	—	821,666.65	821,666.65	—
Total	175,750,662.66	473,043,610.08	472,909,484.29	175,884,788.45

2024

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Salaries, bonuses, allowances and subsidies	140,701,623.66	386,020,753.37	358,009,504.51	168,712,872.52
Staff welfare	—	14,125,592.78	14,125,592.78	—
Social insurance	22,480.63	25,114,111.06	25,114,111.06	22,480.63
— Medical insurance	19,259.80	22,861,891.83	22,861,891.83	19,259.80
— Work injury insurance	2,989.62	1,876,454.81	1,876,454.81	2,989.62
— Maternity insurance	231.21	375,764.42	375,764.42	231.21
Housing provident fund	(1,996.80)	35,915,431.68	35,919,706.68	(6,271.80)
Labour union operating funds and staff education funds	6,282,428.09	11,716,315.69	10,977,162.47	7,021,581.31
Other short-term benefits	—	810,999.96	810,999.96	—
Total	147,004,535.58	473,703,204.54	444,957,077.46	175,750,662.66

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Employee benefits payable (continued)

(3) Post-employment benefits — defined contribution plans

2025

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Basic pension insurance	—	52,268,248.20	52,268,248.20	—
Unemployment insurance	—	1,974,816.11	1,974,816.11	—
Enterprise annuity	—	18,236,865.37	18,236,865.37	—
Total	—	72,479,929.68	72,479,929.68	—

2024

	Opening balance	Increase during the year	Decrease during the year	Closing balance
Basic pension insurance	—	48,047,123.08	48,047,123.08	—
Unemployment insurance	—	1,813,373.65	1,813,373.65	—
Enterprise annuity	—	14,029,743.63	14,029,743.63	—
Total	—	63,890,240.36	63,890,240.36	—

- (a) Staff costs include remuneration of directors, supervisors and senior management (see Note XIV.2 and Note XIV.3).
- (b) Pursuant to the relevant labor regulations in the PRC, the Company and its subsidiaries in the PRC participate in defined contribution retirement benefit schemes (the "Schemes") organized by the local government authorities whereby the Company and its subsidiaries in the PRC are required to make contributions to the Schemes based on certain percentages of the eligible employee's salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees.
- (c) The Group has no other obligations for payments of retirement and other post-retirement benefits of employees other than the contributions described above.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Taxes payable

Item	2025	2024
VAT — Accruals to be transferred to output tax	22,243,967.86	24,605,370.89
VAT	18,032,191.47	28,448,428.68
Enterprise income tax	14,866,827.71	27,143,139.78
Urban maintenance and construction tax	619,387.46	1,732,551.40
Education surcharge	470,419.15	1,415,101.11
Others	3,026,978.98	2,364,758.20
Total	59,259,772.63	85,709,350.06

22. Other payables

	Note	2025	2024
Interest payable	(1)	13,042,618.58	5,638,322.97
Others	(2)	206,604,529.55	182,874,815.32
Total		219,647,148.13	188,513,138.29

(1) Interest payable

Item	2025	2024
Interest payable on bank borrowings	544,539.17	490,377.77
Interest payable on borrowings from third parties	12,498,079.41	5,147,945.20
Total	13,042,618.58	5,638,322.97

Material overdue unpaid interest: Nil.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Other payables (continued)

(2) Others

Other payables by nature are as below:

Item	2025	2024
Payable to related parties	14,844,157.26	20,638,623.18
Construction payables related to fixed assets	31,593,208.16	13,780,715.64
Security deposit payable	24,719,174.26	29,828,456.37
Levy payable	78,225,215.70	35,803,533.18
Others	57,222,774.17	82,823,486.95
Total	206,604,529.55	182,874,815.32

23. Non-current liabilities due within one year

Non-current liabilities due within one year by item are as follows: :

Item	Note	2025	2024
Long-term borrowings due within one year	V.24	239,750,029.54	35,190,029.54
Lease liabilities due within one year	V.25	3,030,397.39	1,859,197.11
Total		242,780,426.93	37,049,226.65

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Long-term borrowings

(1) Type of long-term borrowings:

Item	Note	2025	2024
Guaranteed Borrowing		—	6,880,000.00
Unsecured borrowings		637,450,029.54	585,750,029.54
Less: long-term borrowings due within one year	V.23	239,750,029.54	35,190,029.54
Total		397,700,000.00	557,440,000.00

The Group's long-term borrowing rates are fixed on an annual basis and are variable interest rates. The annual interest rate ranges from 1-year LPR-0.96% to 1-year LPR-0.56%.

25. Lease liabilities

Item	Note	2025	2024
Long-term lease liabilities		8,819,908.83	5,848,835.66
Lease liabilities due within one year	V.23	3,030,397.39	1,859,197.11
Total		5,789,511.44	3,989,638.55

Details of the Group's specific arrangements for leasing activities are set out in Notes V. 49.

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**26. Long-term payables****(1) Breakdown of long-term payables**

Item	2025	2024
Special payables	<u>952,572,400.00</u>	<u>721,707,700.00</u>
Total	<u>952,572,400.00</u>	<u>721,707,700.00</u>

The Group received an amount of RMB230,864,700.00 (2024 : 175,726,700.00) under the Investment Plans within the Central Budget during the year, which shall be exclusively used for the enhancement and upgrading projects of rural power grid.

27. Deferred income**2025**

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance	Cause
Resettlement project	83,196,626.41	2,060,376.70	7,255,922.08	78,001,081.03	Relocation compensation
County power grid transformation project	4,606,563.16	—	305,092.71	4,301,470.45	Government funding
Snow disaster engineering projects	23,912,339.21	—	1,141,973.70	22,770,365.51	Post-disaster reconstruction funds
Xingwen natural gas distributed energy project	31,500,000.00	—	—	31,500,000.00	Government funding
Subsidy for transformation of rural power grid facilities	—	14,870,000.00	—	14,870,000.00	Government funding
Other government subsidies	<u>10,752,492.93</u>	<u>2,340,654.19</u>	<u>1,165,093.09</u>	<u>11,928,054.03</u>	
Total	<u>153,968,021.71</u>	<u>19,271,030.89</u>	<u>9,868,081.58</u>	<u>163,370,971.02</u>	

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Share capital

	Opening balance	Closing balance
Total shares	<u>1,074,357,700.00</u>	<u>1,074,357,700.00</u>

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's net assets.

29. Capital reserve

2025

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Share premium	203,429,005.75	—	—	203,429,005.75
State capital reserve benefits	878,018,600.00	—	—	878,018,600.00
Total	<u>1,081,447,605.75</u>	<u>—</u>	<u>—</u>	<u>1,081,447,605.75</u>

2024

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Share premium	203,429,005.75	—	—	203,429,005.75
State capital reserve benefits	878,018,600.00	—	—	878,018,600.00
Total	<u>1,081,447,605.75</u>	<u>—</u>	<u>—</u>	<u>1,081,447,605.75</u>

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**29. Capital reserve (continued)****(1) Share premium**

Share premium of the Group mainly consisted of (1) premium arising from capital injection from domestic equity shareholders of RMB285,879 thousand; (2) decrease in merger reserve of RMB118,813 thousand, which resulted from business combination in 2012 involving entities under common control; (3) reserves of RMB29 thousand due to subsidiary's purchase of own shares in 2014; (4) decrease in share premium of RMB71,778 thousand due to acquiring the remaining 49% non-controlling interests in Yangliutan Power Generation in 2016; (5) net premium of RMB108,112 thousand arising from the issue of new ordinary H Shares in 2018 after deduction of issue expenses.

(2) Other capital reserve

State capital reserve benefits represented government funds in respect of the Group's construction and modification of rural power grid. The funds were received and allocated to the subsidiaries for construction of power supplies by the parent company. The recognition of RMB878,018,600 as state capital reserve benefits was approved by the State-owned Assets Supervision and Administration Commission of Sichuan Province.

30. Specific reserve**2025**

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Safety production funds	<u>11,931,626.98</u>	<u>36,121,763.50</u>	<u>29,524,643.78</u>	<u>18,528,746.70</u>
Total	<u>11,931,626.98</u>	<u>36,121,763.50</u>	<u>29,524,643.78</u>	<u>18,528,746.70</u>

2024

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Safety production funds	<u>12,963,709.80</u>	<u>31,777,579.77</u>	<u>32,809,662.59</u>	<u>11,931,626.98</u>
Total	<u>12,963,709.80</u>	<u>31,777,579.77</u>	<u>32,809,662.59</u>	<u>11,931,626.98</u>

Pursuant to the relevant PRC regulations for power companies, the Group is required to set aside an amount to maintenance, production and other similar funds. The funds can be used for maintenance of production and improvements of safety, and are not available for distribution to shareholders.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Surplus reserve

2025

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Statutory surplus reserve	<u>198,047,046.87</u>	<u>57,664,147.56</u>	—	<u>255,711,194.43</u>
Total	<u>198,047,046.87</u>	<u>57,664,147.56</u>	—	<u>255,711,194.43</u>

2024

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance
Statutory surplus reserve	<u>163,408,762.58</u>	<u>34,638,284.29</u>	—	<u>198,047,046.87</u>
Total	<u>163,408,762.58</u>	<u>34,638,284.29</u>	—	<u>198,047,046.87</u>

- (1) According to the PRC Company Law, the PRC subsidiaries of the Group are required to transfer 10% of their profit after taxation, as determined under the PRC Accounting Regulations, to the statutory surplus reserve until the reserve reaches 50% of their registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.
- (2) Statutory surplus reserve can be used to cover previous years' losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Undistributed profit

Item	Note	2025	2024
Undistributed profit at the beginning of the year	(1)	1,248,836,243.23	1,023,116,059.00
Add: Net profit for the year attributable to shareholders of the parent company		286,254,349.28	400,024,969.52
Less: Appropriation for statutory surplus reserve		57,664,147.56	34,638,284.29
Dividends payable on ordinary shares	(2)	150,410,078.00	139,666,501.00
Undistributed profit at the end of the year	(3)	1,327,016,366.95	1,248,836,243.23

(1) Breakdown of adjustments to undistributed profit at the beginning of the year: Nil.

(2) Distribution of dividends on ordinary shares for the year

On 18 June 2025, a dividend for the year ended 31 December 2024 of RMB150,410,078.00, representing RMB0.14 per share (2023: RMB139,666,501.00, representing RMB0.13 per share) was approved by the shareholders at the annual general meeting of the Company.

(3) Explanation of undistributed profit at the end of the year

As of 31 December 2025, the Group's undistributed profit attributable to the parent company included surplus reserve set aside by subsidiaries of the Company of RMB211,533,213.87 (2024: RMB203,606,682.17).

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Operating revenue and operating costs

(1) Operating revenue and operating costs

Item	Note	2025		2024	
		Revenue	Cost	Revenue	Cost
Principal business		4,949,231,490.67	4,295,329,686.96	4,755,362,770.37	3,970,540,979.68
Other businesses		18,898,538.21	5,343,776.35	20,208,757.51	8,341,575.72
Total		4,968,130,028.88	4,300,673,463.31	4,775,571,527.88	3,978,882,555.40
Including: Revenue from contracts	V. 33(2)	4,966,309,752.17		4,769,193,293.61	
Other income		1,820,276.71		6,378,234.27	

Among the Group's customers, there is one (2024: one) customer from which the Group derives more than 10% of the Group's total revenue from a single customer, representing approximately 15.67% (2024: 16.51%) of the Group's total revenue.

(2) Revenue from contracts

Type of contracts	2025	2024
Classified by contract type		
Power supply contracts	4,522,335,655.14	4,339,330,250.74
Contracts of power installation projects	410,414,109.38	404,524,018.56
Material sales contracts	16,481,726.16	11,508,501.39
Others	17,078,261.49	13,830,522.92
Total	4,966,309,752.17	4,769,193,293.61
Classified by time of transfer of goods		
Revenue recognized at a point in time	4,555,895,642.79	4,364,669,275.05
Revenue recognized over time	410,414,109.38	404,524,018.56
Total	4,966,309,752.17	4,769,193,293.61

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Operating revenue and operating costs (continued)

(3) Information about the transaction prices allocated to the remaining performance obligations

As of 31 December 2025, the total transaction prices allocated to the remaining performance obligations under the Group's existing contracts were RMB664,037,509.76 (2024: RMB862,875,383.20). The amount represents the revenue expected to be recognized in the future in respect of the electrical engineering construction and related business contracts between customers and the Group. The Group expects that this part of contracts will be completed within the next 12 to 24 months.

The Group applied the practical expedient for power supply contracts and material sales contracts for which the contract term was originally expected to not exceed one year, and therefore the information disclosed above does not include the transaction prices allocated by the Group to the remaining performance obligations in those contracts.

34. Taxes and surcharges

Item	2025	2024
City maintenance and construction tax	4,284,482.62	6,113,721.27
Education surcharges	3,734,150.44	5,019,131.15
Housing property tax	4,375,869.77	4,622,818.54
Others	8,265,018.37	5,710,539.32
Total	20,659,521.20	21,466,210.28

35. Administrative expenses

Item	2025	2024
Labour cost	172,056,470.25	193,580,821.69
Depreciation and amortization charge	19,362,931.57	17,624,219.26
Consultancy and advisory fee	5,292,355.80	8,063,572.31
Office and travel expenses	11,246,343.29	10,971,803.99
Research and development costs	7,439,677.91	9,588,455.11
Property management fee	9,853,544.35	5,669,100.42
Vehicle transportation costs	3,223,155.47	3,029,734.03
Labour protection expense	1,083,989.58	2,214,868.20
Business entertainment expense	685,775.76	1,167,343.09
Auditor's remuneration	1,773,584.91	1,833,963.00
Including: audit service	1,773,584.91	1,650,000.00
Other services	—	183,963.00
Others	24,459,880.45	25,096,765.25
Total	256,477,709.34	278,840,646.35

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Finance costs

Item	2025	2024
Interest expenses on loans and payables	30,723,058.60	16,613,633.64
Interest expenses on lease liabilities	336,609.58	317,082.35
Less: Capitalized interest expense	7,350,134.21	523,915.72
Interest income on deposits and receivables	(2,848,519.63)	(3,892,162.87)
Net foreign exchange losses	197,095.62	723,432.50
Other finance costs	2,347,895.62	2,091,330.93
Total	23,406,005.58	15,329,400.83

The capitalization rate per annum, at which the borrowing costs were capitalized by the Group, was 2.82% for the year (2024: 2.88%).

37. Other income

Item	2025	2024
Subsidy for power grid transformation	685,116.52	484,379.55
Employment stability subsidy	288,485.75	707,287.61
Others	3,339,321.44	2,101,144.12
Total	4,312,923.71	3,292,811.28

38. Investment (loss)/income

Investment (loss)/income by item

Item	2025	2024
Investment loss from long-term equity investments accounted for using the equity method	(14,307,203.82)	(5,444,082.67)
Investment income from financial assets held for trading	—	564,965.75
Others	—	61,494.00
Total	(14,307,203.82)	(4,817,622.92)

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Credit impairment losses

Item	2025	2024
Accounts receivable	20,414,995.23	19,950,152.19
Other receivables	5,551,056.22	(3,177,075.41)
Total	25,966,051.45	16,773,076.78

40. Asset impairment losses

Item	2025	2024
Fixed assets	824,592.66	21,000.00
Contract assets	1,583.33	1,913,151.07
Inventories	352,748.89	—
Total	1,178,924.88	1,934,151.07

41. Losses on asset disposals

Item	2025	2024
Losses on disposal of fixed assets	160,178.92	95,040.17
Total	160,178.92	95,040.17

42. Non-operating income and non-operating expenses

(1) Non-operating income by item is as follows:

Item	2025	2024
Government grants	8,708,037.79	8,982,949.87
Others	10,174,858.12	2,133,117.97
Total	18,882,895.91	11,116,067.84

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Non-operating income and non-operating expenses (continued)

(2) Non-operating expenses

Item	2025	2024
Expenses on donation	500,000.00	—
Fines and compensations	336,087.41	2,143,505.28
Others	3,142,801.90	2,948,102.48
Total	3,978,889.31	5,091,607.76

43. Income tax expenses

Item	Note	2025	2024
Income tax expenses for the year calculated based on tax laws and regulations		70,773,590.50	82,901,885.19
Movements in deferred income tax	(1)	(13,987,596.53)	(15,117,984.36)
Adjustments of tax filing differences		—	(2,282,021.72)
Total		56,785,993.97	65,501,879.11

(1) The analysis of changes in deferred income tax is set out below:

Item	2025	2024
Origination and reversal of temporary differences	(13,987,596.53)	(15,117,984.36)
Total	(13,987,596.53)	(15,117,984.36)

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Income tax expenses (continued)

(2) Reconciliation between income tax expenses and accounting profit is as follows:

Item	2025	2024
Profit before tax	344,517,900.69	466,750,095.44
Expected income tax expenses calculated at the tax rate of 25%	86,129,475.17	116,687,523.86
Effect of different tax rates for subsidiaries	(35,290,639.59)	(53,115,995.83)
Effect of non-deductible costs, expenses and losses	6,519,055.25	1,109,475.24
Effect of deductible temporary differences or deductible losses for which no deferred income tax assets are recognized for the year	654,497.14	4,079,495.15
Effect of utilization of deductible loss for which no deferred income tax assets were recognized in prior periods	(1,142,844.04)	—
Effect of non-taxable income	(83,549.96)	(976,597.59)
Tax filing differences (Effect of adjusting income tax for previous years)	—	(2,282,021.72)
Income tax expenses for the year	56,785,993.97	65,501,879.11

44. Calculation of basic earnings per share

(1) Basic earnings per share

Basic earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding of the Company:

	2025	2024
Consolidated net profit attributable to ordinary shareholders of the Company	286,254,349.28	400,024,969.52
Weighted average number of ordinary shares outstanding of the Company	1,074,357,700.00	1,074,357,700.00
Basic earnings per share (RMB/share)	0.27	0.37

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Calculation of basic earnings per share (continued)

(1) Basic earnings per share (continued)

The weighted average number of ordinary shares is calculated as follows:

	2025	2024
Number of ordinary shares in issue at the beginning of the year	<u>1,074,357,700.00</u>	<u>1,074,357,700.00</u>
Weighted average number of ordinary shares at the end of the year	<u>1,074,357,700.00</u>	<u>1,074,357,700.00</u>

There were no potentially dilutive ordinary shares for the year ended 31 December 2025, and therefore, diluted earnings per share are the same as the basic earnings per share.

45. Supplementary information to the income statement

Classification of expenses in the income statement by nature:

Item	2025	2024
Operating revenue	4,968,130,028.88	4,775,571,527.88
Less: Cost of purchase of electricity	3,174,278,660.33	2,941,565,932.36
CRaw materials consumed	406,389,482.09	373,737,189.62
Repair fees	54,127,702.69	42,060,491.67
Employee benefits expenses	545,523,539.76	537,593,444.90
Depreciation and amortization charge	270,023,389.97	247,473,686.77
Asset impairment losses	1,178,924.88	1,934,151.07
Credit impairment losses	25,966,051.45	16,773,076.78
Finance costs	23,406,005.58	15,329,400.83
Taxes and surcharges	20,659,521.20	21,466,210.28
Use of rural power grid assets	46,283,541.64	30,892,158.86
Safety production funds	36,310,894.65	31,777,579.77
Office and travel expenses	11,246,343.29	10,971,803.99
Other expenses	23,122,077.26	43,270,765.62
Operating profit	<u>329,613,894.09</u>	<u>460,725,635.36</u>

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Related information of cash flow statement

(1) Supplementary information to the cash flow statement

a. Reconciliation of net profit to cash flow from operating activities:

Item	2025	2024
Net profit	287,731,906.72	401,248,216.33
Add: Asset impairment losses	1,178,924.88	1,934,151.07
Credit impairment losses	25,966,051.45	16,773,076.78
Depreciation of fixed assets	252,751,649.01	232,484,236.34
Amortization of intangible assets	8,319,826.18	6,075,634.65
Amortization of long-term prepaid expenses	4,369,049.25	6,111,652.80
Depreciation of right-of-use assets	4,582,865.53	2,802,162.98
Losses on disposal of fixed assets, intangible assets and other long-term assets	1,671,919.44	1,576,089.66
Finance costs	23,906,702.19	17,836,181.41
Losses arising from investment	14,307,203.82	4,817,622.92
Increase in deferred tax assets	(13,816,672.26)	(13,743,270.14)
Decrease in deferred tax liabilities	(170,924.27)	(1,374,714.22)
Decrease in inventories ("()" for increase)	(4,539,772.69)	31,501,981.96
Decrease in operating receivables ("()" for increase)	226,298,600.29	(613,711,092.19)
Increase in operating payables ("()" for decrease)	(224,170,778.71)	486,388,273.98
Amortization of deferred income	(9,868,081.58)	(9,604,014.05)
Safety production funds	36,310,894.65	31,777,579.77
Net cash flows from operating activities	634,829,363.90	602,893,770.05

b. Net changes in cash and cash equivalents:

Item	2025	2024
Cash at the end of the year	432,138,884.95	553,875,808.46
Less: Cash at the beginning of the year	553,875,808.46	490,239,048.63
Net (decrease)/increase in cash and cash equivalents	(121,736,923.51)	63,636,759.83

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Related information of cash flow statement (continued)

(2) Composition of cash and cash equivalents

Item	2025	2024
Cash	432,138,884.95	553,875,808.46
Including: Cash on hand	—	—
Bank deposits on demand	432,138,884.95	553,875,808.46
Cash and cash equivalents at the end of the year	432,138,884.95	553,875,808.46

(3) Information of disposing other operating entities in the year

	2025	2024
Cash or cash equivalents received for the year from the disposal of another business entity-Pingshan Jinping Real Estate Development Co., Ltd.	12,173,943.10	—

47. Assets with restricted ownership or use right

2025

Item	Opening balance	Increase during the year	Decrease during the year	Closing balance	Reason for restriction
Cash at bank and on hand	16,023,300.00	—	16,000,000.00	23,300.00	保證金
Total	16,023,300.00	—	16,000,000.00	23,300.00	保證金

2024

Total	Opening balance	Increase during the year	Decrease during the year	Closing balance	Reason for restriction
Cash at bank and on hand	10,024,800.00	5,998,500.00	—	16,023,300.00	Deposits
Total	10,024,800.00	5,998,500.00	—	16,023,300.00	Deposits

Other cash at bank and on hand at the end of the year represented the electricity transactions deposits and ETC deposits deposited in the bank guarantee accounts.

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**48. Government grants****(1) Basic information of government grants**

Type	Amount as at 31 December 2025 and 2025	Presented under
Resettlement project	78,001,081.03	Deferred income
County power grid transformation project	4,301,470.45	Deferred income
Snow disaster project	22,770,365.51	Deferred income
Xingwen natural gas distributed energy project	31,500,000.00	Deferred income
Subsidies for the transformation of rural power grid facilities	14,870,000.00	Deferred income
Others	11,928,054.03	Deferred income/Other income
Total	163,370,971.02	

(2) Government grants included in profit or loss

Category	2025	2024
Resettlement project	7,255,922.08	7,223,741.45
County power grid transformation project	305,092.71	305,092.71
Snow disaster project	1,141,973.70	1,141,973.70
Others	4,317,973.01	3,604,953.29
Total	13,020,961.50	12,275,761.15

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Government grants (continued)

(3) Liabilities items related to government grants

Item	Opening balance	Additional grants in the year	Amount recognized in non-operating income during the year	Amount recognized in other income during the year	Closing balance	Related to assets/related to income
Resettlement project	83,196,626.41	2,060,376.70	7,255,922.08	—	78,001,081.03	Related to assets
County power grid transformation project	4,606,563.16	—	—	305,092.71	4,301,470.45	Related to assets
Snow disaster project	23,912,339.21	—	1,141,973.70	—	22,770,365.51	Related to assets
Xingwen natural gas distributed energy project	31,500,000.00	—	—	—	31,500,000.00	Related to assets
Subsidies for the transformation of rural power grid facilities	—	14,870,000.00	—	—	14,870,000.00	Related to assets
Other government subsidies	10,752,492.93	2,340,654.19	310,142.01	854,951.08	11,928,054.03	Related to assets/related to income
Total	153,968,021.71	19,271,030.89	8,708,037.79	1,160,043.79	163,370,971.02	

49. Lease

(1) Lease with the Group as lessee

Item	2025	2024
Short-term rental costs with simplified treatment	785,433.53	154,841.91
Total cash outflows related to leases	3,772,332.31	4,252,888.67

The Group leases premises and buildings for its office premises and retail outlets. The term of office premises lease typically ranges from 1 to 15 years and the term of retail store leases ranges from 1 to 5 years.

Short-term leases or low-value leases

The Group also leases premises for a term of one year. These leases are short-term leases or leases of low-value assets. The Group has decided not to recognise the right-of-use assets and lease liabilities for these leases.

V. NOTES TO ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**50. Dividends****(1) Dividends payable to equity shareholders of the Company attributable to the current financial year declared after the balance sheet date**

	2025	2024
Proposed final dividends of RMB0.12 per ordinary share after the year end (2024: RMB0.14 per ordinary share)	<u>128,922,924.00</u>	<u>150,410,078.00</u>

On 30 March 2026, a dividend for the year ended 31 December 2025 of RMB128,922,924.00 (2024: RMB150,410,078.00), representing RMB0.12 per share was proposed by the Board (2024: RMB0.14 per share). Such dividend is to be approved by the shareholders at the general meeting of the Company. The final dividend proposed after the end of the balance sheet date has not been recognized as a liability as at the balance sheet date.

(2) Dividends payable during the year attributable to equity shareholders of the Company attributable to the previous financial year

	2025	2024
Final dividend in respect of the previous financial year, approved and paid during the year	<u>150,410,078.00</u>	<u>139,666,501.00</u>

On 18 June 2025, a final dividend for the year ended 31 December 2024 of RMB150,410,078.00, representing RMB0.14 per share was approved by the shareholders at the annual general meeting of the Company.

VI. CHANGE IN SCOPE OF CONSOLIDATION

There were no changes in the scope of consolidation of the Group during the year.

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(Expressed in RMB unless otherwise indicated)

VII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Group members

Name of subsidiary	Place of registration and business	Legal form	Nature of business	Registered capital	Percentage of shareholding (%) (or percentage of similar interests)	
					Direct	Indirect
Sichuan Energy Investment Yibin Xuzhou Electricity Co., Ltd. (四川能投宜賓市敘州電力有限公司)	Yibin City, Sichuan Province	Limited liability company	Electricity sales	60,000,000.00	100%	—
Sichuan Energy Investment and Development Construction Co., Ltd. (四川能投發展建設有限公司)	Yibin City, Sichuan Province	Limited liability company	Power installation	100,000,000.00	100%	—
Sichuan Energy Investment Gong County Electricity Co., Ltd. (四川能投珙縣電力有限公司)	Gong County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	11,960,000.00	100%	—
Sichuan Energy Investment Gao County Electricity Co., Ltd. (四川能投高縣電力有限公司)	Gao County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	78,100,000.00	100%	—
Sichuan Energy Investment Yibin Power Generation Co., Ltd. (四川能投宜賓發電有限公司)	Gao County, Yibin City, Sichuan Province	Limited liability company	Power generation	3,000,000.00	100%	—
Sichuan Energy Investment Pingshan Electricity Co., Ltd. (四川能投屏山電力有限公司)	Pingshan County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	111,111,400.00	100%	—
Sichuan Energy Investment Xingwen Electricity Co., Ltd. (四川能投興文電力有限公司)	Xingwen County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	32,020,000.00	100%	—
Sichuan Energy Investment Junlian Electricity Co., Ltd. (四川能投筠連電力有限公司)	Junlian County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	40,000,000.00	100%	—
Shuifu Yangliutan Power Generation Co., Ltd. (水富楊柳灘發電有限公司)	Shuifu City, Yunnan Province	Limited liability company	Power generation	10,000,000.00	100%	—
Sichuan Energy Investment Electricity Energy Co., Ltd. (四川能投電能有限公司)	Yibin City, Sichuan Province	Limited liability company	Electricity sales	100,000,000.00	74%	—
Sichuan Energy Investment Gao County Integrated Energy Co., Ltd. (四川能投高縣綜合能源有限公司)	Gao County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	20,000,000.00	60%	—

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (continued)

(1) Group members (continued)

Name of subsidiary	Place of registration and business	Legal form	Nature of business	Registered capital	Percentage of shareholding (%) (or percentage of similar interests)	
					Direct	Indirect
Sichuan Energy Investment Changning Green Energy Co., Ltd. (四川能投長寧綠色能源有限公司)	Changning County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	50,000,000.00	51%	—
Sichuan Energy Investment Junlian Green Energy Co., Ltd. (四川能投筠連綠色能源有限公司)	Junlian County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	20,000,000.00	80%	—
Sichuan Energy Investment Xingwen Green Energy Co., Ltd. (四川能投興文綠色能源有限公司)	Xingwen County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	50,000,000.00	70%	—
Sichuan Energy Xingwen Clean Energy Technology Co., Ltd.* (四川能投興文清潔能源科技有限公司)	Xingwen County, Yibin City, Sichuan Province	Limited liability company	Electricity sales	120,000,000.00	70%	—

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in associates

(1) Details of associates are as follows:

Name of associate	Form of business structure	Place of registration and business	Registered capital	The Group's effective interest			Principal activity	The accounting method for the investment in associates
				The Group's effective interest	Held by the Company	Held by subsidiary		
Associates								
Emeishan Jinkun Micro-credit Co., Ltd. (峨眉山市金坤小額貸款有限公司)	Established	The PRC	200,000,000	20%	20%	—	Authorized financial and consulting services	Equity method
Yibin Xuzhou District Jinkun Micro-credit Co., Ltd. (宜賓市敘州區金坤小額貸款有限公司)	Established	The PRC	400,000,000	25%	25%	—	Authorized financial and consulting services	Equity method
Xuyong County Jiangmen New District Electricity Development Co., Ltd. (敘永縣江門新區電力開發有限責任公司)	Established	The PRC	32,000,000	49%	—	49%	Power generation	Equity method
Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限責任公司)	Established	The PRC	22,000,000	49%	49%	—	Power supply	Equity method
Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)*	Established	The PRC	210,000,000	14.4%	14.4%	—	New energy vehicle charging service	Equity method

* The Group dispatches a director to Shenzhen CEGN Co., Ltd., and is entitled to substantial decision-making power. The Group imposes a significant impact on the company through the participation in formulation of the company's financial and operating policies by appointing directors.

(2) Combined financial information of insignificant joint ventures and associates is as follows:

	2025	2024
Associates:		
Aggregate carrying amount of investments	322,322,496.91	350,559,753.18
Total amounts calculated based on shareholding proportions		
— Net loss and total comprehensive income	(13,020,611.75)	(5,444,082.67)

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS

The Group is exposed to financial instruments risks during its ordinary activities, primarily including:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign exchange risk

This note mainly presents information about the Group's exposure to each of the above risks and their sources, their changes during the year, as well as the Group's objectives, policies and processes for risk management, the method used in measuring risk, and their changes during the year.

The objectives of the Group's risk management are to seek an appropriate balance between risk and return, and to mitigate the adverse effects that the risks of financial instruments may have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate and acceptable risk limits and design corresponding internal controls processes, and to monitor risks. The Group regularly reviews risk management policies and the relevant internal control systems to cope with the changes in market conditions and the Group's operating activities. The internal audit department of the Group undertakes both regular and random inspection of the internal control system for its compliance with risk management policies.

1. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to cash and bank balances, accounts receivable, contract assets, other receivables, etc. Exposure to these credit risks are monitored by management on an ongoing basis.

The cash at bank of the Group is mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

The maximum exposure to credit risk of the Group is represented by the carrying amount of each financial asset (including derivative financial instruments) in the balance sheet.

(1) Accounts receivable and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry, country or area in which the customers operate and therefore significant concentrations of credit risk arise primarily when the Group has significant exposure to individual customers. At the balance sheet date, 17.66% (2024: 14.81%) of the total accounts receivable and contract assets was due from the five largest customers of the Group.

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(Expressed in RMB unless otherwise indicated)

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Credit risk (continued)

(1) Accounts receivable and contract assets (continued)

In respect of accounts receivable, the Group has established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the customers' financial position, the external ratings of the customers and their bank credit records where available. Normally, the Group does not obtain collateral from customers.

More details of accounts receivable and contract assets, please see Note V.3 and 7.

2. Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset. The Company and its individual subsidiaries are responsible for their own cash management, including short-term investment of cash surpluses and the raising of loans to cover expected cash demands, (subject to approval by the Company's Board when the borrowings exceed certain predetermined levels of authority). The Group's policy is to regularly monitor its short-term and long-term liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the balance sheet date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at 31 December) and the earliest date the Group can be required to pay:

Item	2025 undiscounted contractual cash flow				Total	Carrying amount at balance sheet date
	Within 1 year or on demand	1 to 2 years	2 to 5 years	More than 5 years		
Short-term borrowings	263,366,750.68	—	—	—	263,366,750.68	260,000,000.00
Non-current liabilities due within one year	245,560,295.42	—	—	—	245,560,295.42	242,780,426.93
Accounts payable	972,998,654.45	—	—	—	972,998,654.45	972,998,654.45
Other payables	219,647,148.13	—	—	—	219,647,148.13	219,647,148.13
Lease liabilities	—	2,336,163.94	3,654,947.85	1,203,680.97	7,194,792.76	5,789,511.44
Long-term borrowings	8,803,750.79	304,919,261.21	97,084,296.99	—	410,807,308.99	397,700,000.00
Special payables	—	—	—	1,010,960,572.11	1,010,960,572.11	952,572,400.00
Total	<u>1,710,376,599.47</u>	<u>307,255,425.15</u>	<u>100,739,244.84</u>	<u>1,012,164,253.08</u>	<u>3,130,535,522.54</u>	<u>3,051,488,140.95</u>

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

2. Liquidity risk (continued)

Item	2024 undiscounted contractual cash flow				Total	Carrying amount at balance sheet date
	Within 1 year or on demand	1 to 2 years	2 to 5 years	More than 5 years		
Short-term borrowings	100,828,493.15	—	—	—	100,828,493.15	100,000,000.00
Non-current liabilities due within one year	37,329,817.55	—	—	—	37,329,817.55	37,049,226.65
Accounts payable	1,131,408,083.90	—	—	—	1,131,408,083.90	1,131,408,083.90
Other payables	188,513,138.29	—	—	—	188,513,138.29	188,513,138.29
Lease liabilities	—	1,553,507.55	2,102,731.94	870,198.59	4,526,438.08	3,989,638.55
Long-term borrowings	37,665,470.00	359,684,000.00	203,000,000.00	—	600,349,470.00	557,440,000.00
Total	1,495,745,002.89	361,237,507.55	205,102,731.94	870,198.59	2,062,955,440.97	2,018,400,087.39

3. Interest rate risk

Interest-bearing financial instruments at fixed rates and at variable rates expose the Group to fair value interest rate risk and cash flow interest rate risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure.

(1) As at 31 December, the following interest-bearing financial instruments were held by the Group:

Fixed rate financial instruments:

Item	2025		2024	
	Effective interest rate	Amount	Effective interest rate	Amount
Financial liabilities				
— Lease liabilities	5%	(8,819,908.83)	5%	(5,848,835.66)
Total		(8,819,908.83)		(5,848,835.66)

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(Expressed in RMB unless otherwise indicated)

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

3. Interest rate risk (continued)

- (1) As at 31 December, the following interest-bearing financial instruments were held by the Group: (continued)

Floating-rate financial instruments:

Item	2025		2024	
	Effective interest rate	Amount	Effective interest rate	Amount
Financial assets				
— Monetary capital	0.05%–2.49%	<u>432,162,184.95</u>	0.10%–0.35%	<u>569,899,108.46</u>
Subtotal		<u>432,162,184.95</u>		<u>569,899,108.46</u>
Financial liabilities				
— Short-term borrowings	2.11%	<u>(260,000,000.00)</u>	2.40%–2.65%	(100,000,000.00)
— Long-term borrowings	2.10%–2.44%	<u>(397,700,000.00)</u>	2.40%–3.80%	(557,440,000.00)
— Long-term borrowings due within one year	2.04%–2.15%	<u>(227,500,000.00)</u>	2.40%–3.80%	(22,940,000.00)
— Special payables	2.82%	<u>(952,572,400.00)</u>	—	—
Subtotal		<u>(1,837,772,400.00)</u>		<u>(680,380,000.00)</u>
Total		<u>(1,405,610,215.05)</u>		<u>(110,480,891.54)</u>

(2) Sensitivity analysis

At 31 December 2025, for floating rate financial liabilities, it is assumed that a 100 basis points increase (decrease) in interest rates would result in a decrease (increase) in the Group's shareholders' equity and net profit of RMB13,783,293.00 (2024: RMB5,102,850.00), with all other variables held constant.

The sensitivity analysis above indicates the instantaneous change in the net profit and shareholders' equity that would arise assuming that the change in interest rates had occurred at the balance sheet date and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the balance sheet date. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the net profit and shareholders' equity is estimated as an annualized impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for the previous year.

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)**4. Foreign exchange risk**

In respect of cash and bank balances, accounts receivable and payable, short-term borrowings and other assets and liabilities denominated in foreign currencies other than the functional currency, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

- (1) As at 31 December, the Group's exposure to currency risk arising from recognized assets or liabilities denominated in foreign currencies is presented in the following tables. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the balance sheet date.

	2025		2024	
	Foreign currency balance	RMB equivalent	Foreign currency balance	RMB equivalent
Cash at bank and on hand and gross balance sheet exposure — HKD	<u>6,337,371.92</u>	<u>5,724,041.07</u>	<u>6,837,593.62</u>	<u>6,331,885.20</u>

- (2) The followings are the exchange rates for Renminbi against foreign currencies applicable to the Group:

	Average exchange rate		Reporting date mid-spot rate	
	2025	2024	2025	2024
HKD	<u>0.91406</u>	<u>0.91584</u>	<u>0.90322</u>	<u>0.92604</u>

(3) Sensitivity analysis

Assuming all other risk variables remained constant, a 5% strengthening of the Renminbi against the HK dollar at 31 December would have decreased the Group's and the Company's shareholders' equity and net profit by RMB214,651.54 (2024: RMB237,445.70).

A 5% weakening of the Renminbi against the HK dollar at 31 December would have had the equal but opposite effect on the shareholders' equity and net profit to the amounts shown above, on the basis that all other variables remained constant.

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which exposed the Group to foreign currency risk at the balance sheet date. The analysis above excludes description of other risk exposures. The analysis is performed on the same basis using identical methods for previous year.

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IX. FAIR VALUE DISCLOSURE

The following table presents the fair value information and the hierarchy of fair value measurement at the end of the Reporting Period, of the Group's assets and liabilities which are measured at fair value at each balance sheet date on a recurring or non-recurring basis. The level in which the result of fair value measurement is categorized is determined by the lowest level input that is significant to the entire fair value measurement. The three levels of input are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

1. Closing fair value of assets and liabilities measured at fair value

Item	31 December 2025			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Recurring fair value measurement				
Other non-current financial assets				
Equity instruments investment	—	—	170,250.00	170,250.00
Total assets measured at fair value on a recurring basis	—	—	170,250.00	170,250.00

Item	31 December 2024			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Recurring fair value measurement				
Other non-current financial assets				
Equity instruments investment	—	—	170,250.00	170,250.00
Total assets measured at fair value on a recurring basis	—	—	170,250.00	170,250.00

2. Changes in valuation technique during the year and reasons for changes

In 2025, there was no change in the valuation technique for fair value of the above assets and liabilities measured at fair value on a recurring and non-recurring basis in level 3.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

IX. FAIR VALUE DISCLOSURE (CONTINUED)

3. Fair value of financial assets and financial liabilities not measured at fair value

Except for the above investments in equity instruments measured at fair value, there were no significant differences between the carrying amounts and fair values of each of the Group's financial assets and financial liabilities as at 31 December.

X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES

1. The parent company of the Company

Name of the parent company	Place of incorporation	Business nature	Registered capital	Shareholding percentage of the parent company in the Company (%)	Percentage of voting rights of the parent company in the Company (%)	Ultimate controlling party of the Company
Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	Chengdu, Sichuan province	Electricity and thermal power production and supply	RMB3,637,703,700	36.71%	36.71%	Sichuan Energy Development Group Co., Ltd.* (四川能源發展集團有限責任公司)

2. Subsidiaries of the Company

Please refer to Note VII.1 for details of the subsidiaries of the Group.

3. Joint ventures and associates of the Company

Please refer to Note VII.2 for details of significant associates of the Group.

4. Other related parties

Name of other related party	Relationship
Sichuan Energy Development Group Co., Ltd. (四川能源發展集團有限責任公司)	The parent company of Sichuan Province Hydropower Investment and Management Group Co., Ltd.
Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	Under common control of the ultimate controlling party
Sichuan Energy Investment Material Industry Group Co., Ltd. (四川能投物資產業集團有限公司)	Under common control of the ultimate controlling party
Sichuan Energy Investment Baishiji Industries Co., Ltd. (四川能投百事吉實業有限公司)	Under common control of the ultimate controlling party
Sichuan Energy Investment Construction Engineering Group Co., Ltd. (四川能投建工集團有限公司)	Under common control of the ultimate controlling party
Sichuan Energy Investment Integrated Energy Co., Ltd. (四川能投綜合能源有限責任公司)	Under common control of the ultimate controlling party

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

4. Other related parties (continued)

Name of other related party	Relationship
Sichuan Energy Investment Jinding Industrial Finance Holding Group Co., Ltd. (四川能投金鼎產融控股集團有限公司)	Under common control of the ultimate controlling party
Zizhong Guangda Electric Engineering Co., Ltd. (資中光達電力工程有限公司)	Under common control of the ultimate controlling party
Yunnan Yiliangruiyuan Hydropower Development Co., Ltd. (雲南彝良瑞源水電開發有限公司)	Under common control of the ultimate controlling party
Chengdu Sun Technology Company Limited (成都太陽高科技有限責任公司)	Under common control of the ultimate controlling party
Sichuan Yilian Construction Project Management Co., Ltd. (四川億聯建設工程項目管理有限公司)	Under common control of the ultimate controlling party
Changning County Zhudu Electricity Co., Ltd. (長寧縣竹都電力有限公司)	Under common control of the ultimate controlling party
Yibin Zhangwo Power Generation Co., Ltd. (宜賓張窩發電有限公司)	Under common control of the ultimate controlling party
Shuifu Hongli Power Generation Co., Ltd. (水富泓力發電有限公司)	Under common control of the ultimate controlling party
Sichuan Xinli Lighting Co., Ltd. (四川新力光源股份有限公司) (Note 1)	Under common control of the ultimate controlling party
Sichuan Energy Investment Huicheng Training Management Co., Ltd. (四川能投匯成培訓管理有限公司)	Under common control of the ultimate controlling party
Qingneng Huakong Technology Co., Ltd.* (清能華控科技有限公司) (Note 1)	Under common control of the ultimate controlling party
Huahuan Qingyuan (Chengdu) Technology Co., Ltd. (華環清源(成都)科技有限公司) (Note 1)	Under common control of the ultimate controlling party
Gao County Huize Water Conservancy Development Co., Ltd. (高縣惠澤水利開發有限責任公司)	Under common control of the ultimate controlling party
Sichuan Road & Bridge (Group) Co. Ltd.* (四川公路橋樑建設集團有限公司) (Note 1)	Under common control of the ultimate controlling party
Yibin Fuxi Fly Ash Development Co., Ltd. (宜賓福溪粉煤灰開發有限公司) (Note 1)	Under common control of the ultimate controlling party
Xingwen Guorun Water Supply Co., Ltd. (興文國潤供水有限公司) (Note 1)	Under common control of the ultimate controlling party
Sichuan Transportation Construction Group Co., Ltd.* (四川省交通建設集團有限責任公司) (Note 1)	Under common control of the ultimate controlling party
Pingshan Guorun Water Co., Ltd. (屏山國潤水務有限公司) (Note 1)	Under common control of the ultimate controlling party
Sichuan Road and Bridge East China Construction Co., Ltd. (四川路橋華東建設有限責任公司) (Note 1)	Under common control of the ultimate controlling party

X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)**4. Other related parties (continued)**

Name of other related party	Relationship
Sichuan Road and Waterway Construction Engineering Co., Ltd. (四川路航建設工程有限公司) (Note 1)	Under common control of the ultimate controlling party
Sichuan United Environmental Exchange Co., Ltd. (四川聯合環境交易所有限公司) (Note 1)	Under common control of the ultimate controlling party
Sichuan Changning Natural Gas Development Co., Ltd. (四川長寧天然氣開發有限責任公司)	Associate of the ultimate controlling party
Gao County State-owned Assets Operation and Management Co., Ltd. (高縣國有資產經營管理有限責任公司)	Significant investor
Gao County Fuxi Industry Concentration Zone Investment Development Co., Ltd. (高縣福溪工業集中區投資開發有限公司)	Subsidiary of significant investor
Gao County Shangyuan Water Investment Co., Ltd. (高縣上源水務投資有限責任公司)	Subsidiary of significant investor
Gao County Urban-rural Investment Development and Construction Co., Ltd. (高縣城鄉投資開發建設有限責任公司)	Subsidiary of significant investor
Gao County Fenghui Grain and Edible Oil Co., Ltd. (高縣豐匯糧油有限責任公司)	Subsidiary of significant investor
Sichuan Haorongding Construction Engineering Co., Ltd. (四川浩榮鼎建築工程有限公司)	Subsidiary of significant investor
Gao County Agricultural Culture Tourism Industry Investment Management Co., Ltd. (高縣農業文化旅遊產業投資經營管理有限責任公司)	Subsidiary of significant investor
Yibin Xuzhou District Tianquan Water Supply Co., Ltd. (宜賓市敘州區天泉供水有限責任公司)	Subsidiary of significant investor
Gao County Public Resources Service Management Co., Ltd. (高縣公共資源服務管理有限責任公司)	Subsidiary of significant investor
Yibin Siliya Group Co., Ltd. (宜賓絲麗雅集團有限公司)	Subsidiary of significant investor
Sichuan Province Hydropower Investment and Management Group Zizhong Longyuan Electricity Co., Ltd. (四川省水電投資經營集團資中龍源電力有限公司)	Under common control of the ultimate controlling party
Sichuan Nengtou Yundian Technology Co., Ltd. (四川能投雲電科技有限公司)	Under common control of the ultimate controlling party
Xuyong County Jiangmen New District Electricity Development Co., Ltd. (叙永縣江門新區電力開發有限公司)	Associate
Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	Associate
Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限責任公司)	Associate

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

4. Other related parties (continued)

Note 1: In February 2025, Sichuan Energy Investment Group Co., Ltd. ("EIG"), which is under common control of the ultimate controlling party of the Group, and Sichuan Provincial Investment Group Company Limited ("SCIG") merged to form Sichuan Energy Development Group Co., Ltd. ("EG"). Yibin Fuxi Fly Ash Development Co., Ltd., Sichuan Road and Waterway Construction Engineering Co., Ltd., Sichuan Transportation Construction Group Co., Ltd., Xingwen Guorun Water Supply Co., Ltd., Pingshan Guorun Water Co., Ltd., Sichuan United Environment Exchange Co., Ltd., Sichuan Xinli Lighting Co., Ltd., Qingneng Huakong Technology Co., Ltd., Huahuan Qingyuan (Chengdu) Technology Co., Ltd., Sichuan Road & Bridge (Group) Co., Ltd. and Sichuan Road and Bridge East China Construction Co., Ltd. became related parties of the Group since then. Accordingly, the Group discloses the transaction amounts with these parties subsequent to February 2025, as well as the outstanding balances of accounts receivable, other receivables, accounts payable, other payables and balances of contract liabilities with them as of 31 December 2025.

5. Related party transactions

(1) Purchases of goods/receipt of services (excluding remuneration of key management personnel)

The Group

Related party	Related party transaction	2025	2024
Sichuan Energy Investment Material Industry Group Co., Ltd. (四川能投物資產業集團有限公司)	Construction and materials	160,404,424.48	62,349,708.04
Sichuan Energy Investment Construction Engineering Group Co., Ltd. (四川能投建工集團有限公司)	Construction	144,513,827.52	78,569,594.75
Yibin Zhangwo Power Generation Co., Ltd. (宜賓張窩發電有限公司) (Note 4)	Purchase of electricity	84,830,088.50	66,238,184.84
Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司) (Note 2)	Use of rural power grid assets	46,283,541.64	30,892,158.86
Shuifu Hongli Power Generation Co., Ltd. (水富泓力發電有限公司) (Note 4)	Purchase of electricity	36,099,611.65	31,364,766.57
Chengdu Sun Technology Company Limited (成都太陽高科技有限責任公司)	Construction and materials	12,676,483.16	4,748,303.98
Sichuan Energy Investment Baishiji Industries Co., Ltd. (四川能投百事吉實業有限公司) (Note 5)	Property catering	12,520,187.63	5,583,417.67
Xuyong County Jiangmen New District Electricity Development Co., Ltd. (敘永縣江門新區電力開發有限公司)	Purchase of electricity	5,279,892.35	4,433,314.05

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5. Related party transactions (continued)

(1) Purchases of goods/receipt of services (excluding remuneration of key management personnel) (continued)

Related party	Related party transaction	2025	2024
Yunnan Yiliangruiyuan Hydropower Development Co., Ltd. (雲南彝良瑞源水電開發有限公司) (Note 3)	Purchase of electricity	5,094,705.74	10,680,344.59
Sichuan Energy Investment Integrated Energy Co., Ltd. (四川能投綜合能源有限責任公司)	Construction Purchase of materials and equipment	2,062,324.77	7,437,086.82
Qingneng Huakong Technology Co., Ltd. (清能華控科技有限公司)	Construction Purchase of materials and equipment	1,902,831.86	—
Sichuan Yilian Construction Project Management Co., Ltd. (四川億聯建設工程項目管理有限公司)	Construction Material and equipment	1,744,392.09	2,459,943.20
Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	Purchase of materials and equipment	1,316,739.25	2,397,192.64
Huahuan Qingyuan (Chengdu) Technology Co., Ltd. (華環清源(成都)科技有限公司)	Lease equipment	927,185.84	—
Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限責任公司)	Purchase of materials and equipment	84,000.00	—
Sichuan Xinli Lighting Co., Ltd. (四川新力光源股份有限公司)	Purchase of electricity	68,853.10	155,920.35
Changning County Zhudu Electricity Co., Ltd. (長寧縣竹都電力有限公司)	Construction	—	57,038.26
Sichuan Nengtou Yundian Technology Co., Ltd. (四川能投雲電科技有限公司)	Construction	—	306,953.15
Total		<u>515,809,089.58</u>	<u>307,673,927.77</u>

Note 2 : On 18 March 2025, the Group has entered into the 2025 to 2027 Rural Power Grid Assets Usage Agreement (the "Usage Agreement") with the parent company, pursuant to which the Group has the rights to use the above-mentioned rural power grid assets owned by the parent company after the relevant part of these rural power grid assets connecting to the Group's power grid. The calculation formula for the annual usage fee payable by the Group to the parent company is the income from electricity sales in rural areas multiplied by the proportion of rural power grid assets attributable to the excluded rural power grid projects multiplied by the proportion of depreciation expenses.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5. Related party transactions (continued)

(1) Purchases of goods/receipt of services (excluding remuneration of key management personnel) (continued)

- Note 3: On 24 December 2024, the Group entered into the power purchase and sales contract with Yunnan Yiliangruiyuan Hydropower Development Co., Ltd. (雲南彝良瑞源水電開發有限公司) (“Yiliangruiyuan Hydropower”) for a fixed term of three years commencing from 1 January 2025 and ending on 31 December 2027, pursuant to which, Yiliangruiyuan Hydropower agreed to supply electricity to the Group. The unit price of electricity payable by the Company shall be RMB0.32 per kWh (tax inclusive), which was determined after arm’s length negotiation between the Company and Yiliangruiyuan Hydropower, with reference to (i) the historical unit price paid by the Group for the electricity purchased from the power station of Yiliangruiyuan Hydropower; (ii) the unit price of electricity charged by other Independent Third Parties; and (iii) the respective average unit price of electricity so far in 2024 charged by State Grid Corporation of China (國家電網有限公司) and China Southern Power Grid Company Limited (中國南方電網有限責任公司). The amount of purchase of electricity shall be the unit price of electricity (tax exclusive) multiplied by the actual volume of on-grid electricity supplied by Yiliangruiyuan Hydropower to the Group.
- Note 4: On 16 May 2024, the Group entered into the Yibin Zhangwo Electricity Purchase Framework Agreement with Yibin Zhangwo Power Generation Co., Ltd. (“Yibin Zhangwo”) and the Shuifu Hongli Electricity Purchase Framework Agreement with Shuifu Hongli Power Generation Co., Ltd. (“Shuifu Hongli”), respectively, pursuant to which Yibin Zhangwo and Shuifu Hongli have agreed to supply electricity to the Group from the commencement date of the relevant agreements to 31 December 2026. The unit prices of electricity payable by the Group to Yibin Zhangwo and Shuifu Hongli are RMB0.288 per kWh (inclusive of tax) and RMB0.32 per kWh (inclusive of tax) respectively, which are determined based on the historical unit prices of electricity purchased by the Group from Yibin Zhangwo Power Station and the Dayukong Power Station, the unit prices of electricity received by other independent third parties, and the average unit price of electricity to be received by each of State Grid Corporation of China (國家電網有限公司) and China Southern Power Grid Company Limited (中國南方電網有限責任公司) for the year 2023 and subject to the adjustment in accordance with the Notice of the Sichuan Development and Reform Commission on Adjusting the Relevant Issues Concerning Electricity Price Policy for the Water-sufficient and Water-deficit Seasons and Peak and Off-peak Hours of the Power Grid in Sichuan Province (《四川省發展改革委關於調整四川電網豐枯峰穀電價政策有關事項的通知》). The amount of electricity purchased shall be the unit price of electricity (tax exclusive) multiplied by the actual volume of on-grid electricity supplied to the Group by Yibin Zhangwo and Shuifu Hongli respectively.
- Note 5: On 24 December 2024, the Company entered into the 2025 to 2026 Property Management Framework Agreement (“Framework Agreement”) with Sichuan Energy Investment Baishiji Industries Co., Ltd.* (四川能投百事吉實業有限公司) (“Baishiji”). Pursuant to the Framework Agreement, Baishiji agreed to continue to provide certain property management related and other services to the Group from 1 January 2025 to 31 December 2026. The Group may enter into specific service agreements with Baishiji as needed for the actual transactions to be conducted, in accordance with the Framework Agreement. Baishiji expected to offer the following specific services: 1) Certain property management services 2) Specialised service 3) Other property services 4) Vehicle rental services 5) Procurement of office and welfare supplies services. All the fees under services were determined after arm’s length negotiation and took into consideration the specific nature of services. All transactions contemplated under the Framework Agreement are carried out on normal commercial terms.

X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)**5. Related party transactions (continued)****(2) Sales of goods/Rendering of services****The Group**

Related party	Content of related party transaction	2025	2024
Sichuan Haorongding Construction Engineering Co., Ltd. (四川浩榮鼎建築工程有限公司)	Construction	10,299,184.44	2,553,328.80
Sichuan Changning Natural Gas Development Co., Ltd. (四川長寧天然氣開發有限責任公司) (Note 6)	Sublease service	5,859,815.04	5,859,815.04
Gao County Shangyuan Water Investment Co., Ltd. (高縣上源水務投資有限責任公司)	Sales of electricity	5,169,589.72	3,828,701.43
Xingwen Guorun Water Supply Co., Ltd. (興文國潤供水有限公司)	Sales of electricity	4,290,777.56	—
Gao County Fuxi Industry Concentration Zone Investment Development Co., Ltd. (高縣福溪工業集中區投資開發有限公司)	Construction	3,640,971.78	303,490.09
Sichuan Road & Bridge (Group) Co., Ltd. (四川公路橋樑建設集團有限公司)	Sales of electricity	3,483,989.06	—
Sichuan Road and Bridge East China Construction Co., Ltd. (四川路橋華東建設有限責任公司)	Sales of electricity	2,880,598.00	—
Gao County Urban-rural Investment Development and Construction Co., Ltd. (高縣城鄉投資開發建設有限責任公司)	Construction	2,547,179.39	3,229,468.70
Sichuan Transportation Construction Group Co., Ltd. (四川省交通建設集團有限責任公司)	Sales of electricity	2,470,914.40	—
Yibin Fuxi Fly Ash Development Co., Ltd. (宜賓福溪粉煤灰開發有限公司)	Sales of electricity	2,060,012.50	—
Gao County Fuxi Industry Concentration Zone Investment Development Co., Ltd. (高縣福溪工業集中區投資開發有限公司)	Sales of electricity	791,599.81	4,794,220.89
Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	Charging pile	581,501.42	1,439,046.17
Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限責任公司)	Agency service	537,838.74	784,336.10

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5. Related party transactions (continued)

(2) Sales of goods/Rendering of services (continued)

Related party	Content of related party transaction	2025	2024
Gao County Shangyuan Water Investment Co., Ltd. (高縣上源水務投資有限責任公司)	Construction	479,797.65	407,978.43
Gao County Fenghui Grain and Edible Oil Co., Ltd. (高縣豐匯糧油有限責任公司)	Sales of electricity	247,327.85	276,198.48
Gao County Agricultural Culture Tourism Industry Investment Management Co., Ltd. (高縣農業文化旅遊產業投資經營管理有限責任公司)	Construction	135,304.59	105,710.27
Sichuan Haorongding Construction Engineering Co., Ltd. (四川浩榮鼎建築工程有限公司)	Sales of electricity	113,725.47	244,691.73
Gao County Public Resources Service Management Co., Ltd. (高縣公共資源服務管理有限責任公司)	Construction	63,429.80	995,883.49
Sichuan Energy Investment Baishiji Industries Co., Ltd. (四川能投百事吉實業有限公司)	Sales of electricity	44,302.06	42,697.77
Pingshan Guorun Water Co., Ltd. (屏山國潤水務有限公司)	Sales of electricity	24,835.63	—
Gao County State-owned Assets Operation and Management Co., Ltd. (高縣國有資產經營管理有限責任公司)	Sales of electricity	—	329,459.50
Sichuan Energy Investment Baishiji Industries Co., Ltd. (四川能投百事吉實業有限公司)	Construction	—	17,155.96
Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	Maintenance of rural power grid assets	—	13,280,171.77
Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	Materials	—	1,739,700.89

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5. Related party transactions (continued)

(2) Sales of goods/Rendering of services (continued)

Related party	Content of related party transaction	2025	2024
Yibin Xuzhou District Tianquan Water Supply Co., Ltd. (宜賓市敘州區天泉供水有限責任公司)	Construction	—	784,253.58
Gao County Huize Water Conservancy Development Co., Ltd. (高縣惠澤水利開發有限責任公司)	Construction	—	70,017.43
Total		45,722,694.91	41,086,326.52

Note 6: On 24 December 2024, the Group and Sichuan Changning Natural Gas Development Co., Ltd. (“Changning Natural Gas”) have agreed in writing to further renew the Lease for a term of one year from 1 January 2025 to 31 December 2025. The Group lease six temporary substations to Changning Natural Gas from 1 January 2025 to 31 December 2025. The monthly rental rates of the six temporary substations under the Lease (2025) are determined on arm’s length basis, with reference to the latest prevailing market rates, the tariffs for power transmission and distribution at the relevant locations and the rent charged by the Group to other independent third parties. The monthly rental rate under the Lease (2025) offered by the Group to Changning Natural Gas is not lower than the rate offered to independent third parties. Rental payment should be paid by Changning Natural Gas to the Group every three months.

(3) Remuneration of key management personnel

The Group/the Company

Item	2025	2024
Remuneration of key management personnel	10,064,002.79	8,822,238.41

6. Amounts due from/to related parties

Amounts due from related parties

The Group

Item	Related party	2025	2024
Accounts receivable	Gao County Shangyuan Water Investment Co., Ltd. (高縣上源水務投資有限責任公司)	3,193,698.81	3,281,748.89
	Sichuan Province Hydropower Investment and Management Group Zizhong Longyuan Electricity Co., Ltd. (四川省水電投資經營集團資中龍源電力有限公司)	2,824,377.74	4,784,857.74
	Sichuan Energy Investment Construction Engineering Group Co., Ltd. (四川能投建工集團有限公司)	2,291,388.39	2,010,788.93

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

6. Amounts due from/to related parties (continued)

Amounts due from related parties (continued)

Item	Related party	2025	2024
	Sichuan Haorongding Construction Engineering Co., Ltd. (四川浩榮鼎建築工程有限公司)	2,009,936.43	—
	Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	1,109,795.87	1,088,748.55
	Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限責任公司)	831,396.27	831,396.27
	Gao County Fuxi Industry Concentration Zone Investment Development Co., Ltd. (高縣福溪工業集中區投資開發有限公司)	819,484.38	—
	Sichuan Transportation Construction Group Co., Ltd. (四川省交通建設集團有限責任公司)	443,056.75	—
	Yibin Fuxi Fly Ash Development Co., Ltd. (宜賓福溪粉煤灰開發有限公司)	293,730.78	—
	Yibin Xuzhou District Tianquan Water Supply Co., Ltd. (宜賓市敘州區天泉供水有限責任公司)	100,163.80	100,163.80
	Gao County Urban-rural Investment Development and Construction Co., Ltd. (高縣城鄉投資開發建設有限責任公司)	97,143.74	5,768,575.00
	Gao County Agricultural Culture Tourism Industry Investment Management Co., Ltd. (高縣農業文化旅游產業投資經營管理有限責任公司)	61,536.73	56,010.00
	Pingshan Guorun Water Co., Ltd. (屏山國潤水務有限公司)	7,791.80	—
	Sichuan Energy Investment Baishiji Industries Co., Ltd. (四川能投百事吉實業有限公司)	5,283.04	18,700.00
	Sichuan Road and Waterway Construction Engineering Co., Ltd. (四川路航建設工程有限責任公司)	3,210.51	—
	Sichuan Changning Natural Gas Development Co., Ltd. (四川長寧天然氣開發有限責任公司)	—	99,960.00
	Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	—	22,034,531.62
	Gao County Public Resources Service Management Co., Ltd. (高縣公共資源服務管理有限責任公司)	—	826,300.00
	Gao County State-owned Assets Operation and Management Co., Ltd. (高縣國有資產經營管理有限責任公司)	—	85,669.30
	Total	14,091,995.04	40,987,450.10

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

6. Amounts due from/to related parties (continued)

Amounts due from related parties (continued)

Item	Related party	2025	2024
Contract assets	Sichuan Haorongding Construction Engineering Co., Ltd. (四川浩榮鼎建築工程有限公司)	1,583,672.24	1,418,199.87
	Gao County Shangyuan Water Investment Co., Ltd. (高縣上源水務投資有限責任公司)	1,115,343.86	224,622.64
	Gao County State-owned Assets Operation and Management Co., Ltd. (高縣國有資產經營管理有限責任公司)	700,181.03	700,181.03
	Gao County Fuxi Industry Concentration Zone Investment Development Co., Ltd. (高縣福溪工業集中區投資開發有限公司)	227,495.72	257,837.24
	Gao County Urban-rural Investment Development and Construction Co., Ltd. (高縣城鄉投資開發建設有限責任公司)	61,954.98	64,171.63
	Total	3,688,647.83	2,665,012.41
	Other receivables	Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	5,569,607.48
Sichuan United Environment Exchange Co., Ltd. (四川聯合環境交易所有限公司)		7.93	—
Sichuan Energy Investment Construction Engineering Group Co., Ltd. (四川能投建工集團有限公司)		—	3,255,965.74
Pingshan Jinping Real Estate Development Co., Ltd. (屏山金屏房地產開發有限公司)		—	11,856,708.32
Sichuan Energy Investment Integrated Energy Co., Ltd. (四川能投綜合能源有限責任公司)		—	20,263.09
Yibin Siliya Group Co., Ltd. (宜賓絲麗雅集團有限公司)		—	5,000.00
Total		5,569,615.41	26,309,575.61

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

6. Amounts due from/to related parties (continued)

Amounts due from related parties (continued)

Item	Related party	2025	2024
Prepayments	Sichuan Energy Investment Construction Engineering Group Co., Ltd. (四川能投建工集團有限公司)	1,334,631.24	8,705,890.97
	Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	171,600.00	—
	Sichuan Yilian Construction Project Management Co., Ltd. (四川億聯建設工程項目管理有限公司)	10,989.30	323,973.30
	Chengdu Sun Technology Company Limited (成都太陽高科技有限責任公司)	—	541,836.60
	Sichuan Energy Investment Material Industry Group Co., Ltd. (四川能投物資產業集團有限公司)	—	11,576,140.76
	Changning County Zhudu Electricity Co., Ltd. (長寧縣竹都電力有限公司)	—	2,147,366.83
	Total		1,517,220.54

Amounts due to related parties

The Group

Item	Related party	2025	2024
Accounts payable	Sichuan Energy Investment Material Industry Group Co., Ltd. (四川能投物資產業集團有限公司)	51,574,665.85	16,409,313.39
	Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	44,231,930.49	45,660,845.35
	Yibin Zhangwo Power Generation Co., Ltd. (宜賓張窩發電有限公司)	9,973,588.36	7,539,053.88
	Sichuan Energy Investment Construction Engineering Group Co., Ltd. (四川能投建工集團有限公司)	4,062,076.77	40,939,936.42
	Shuifu Hongli Power Generation Co., Ltd. (水富泓力發電有限公司)	173,090.72	3,521,729.88
	Chengdu Sun Technology Company Limited (成都太陽高科技有限責任公司)	1,894,672.88	921,957.56
	Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	1,227,092.58	363,678.61
	Qingneng Huakong Technology Co., Ltd. (清能華控科技有限公司)	1,095,874.12	—
	Huahuan Qingyuan (Chengdu) Technology Co., Ltd. (華環清源(成都)科技有限公司)	1,047,720.00	—

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

6. Amounts due from/to related parties (continued)

Amounts due to related parties (continued)

Item	Related party	2025	2024
	Changning County Zhudu Electricity Co., Ltd. (長寧縣竹都電力有限公司)	572,280.46	—
	Sichuan Energy Investment Integrated Energy Co., Ltd. (四川能投綜合能源有限責任公司)	522,514.74	865,004.89
	Xuyong County Jiangmen New District Electricity Development Co., Ltd. (敘永縣江門新區電力開發有限責任公司)	223,990.40	370,016.67
	Sichuan Energy Investment Baishiji Industries Co., Ltd. (四川能投百事吉實業有限公司)	136,700.00	—
	Sichuan Xinli Lighting Co., Ltd. (四川新力光源股份有限公司)	126,197.20	123,333.00
	Total	116,862,394.57	116,714,869.65
Other payables	Sichuan Energy Investment Construction Engineering Group Co., Ltd. (四川能投建工集團有限公司)	7,128,475.11	4,227,596.36
	Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	2,740,683.83	6,958,152.61
	Sichuan Energy Investment Integrated Energy Co., Ltd. (四川能投綜合能源有限責任公司)	1,732,175.13	1,764,214.50
	Chengdu Sun Technology Company Limited (成都太陽高科技有限責任公司)	1,365,270.03	645,322.67
	Sichuan Energy Investment Material Industry Group Co., Ltd. (四川能投物資產業集團有限公司)	906,342.12	3,515,950.60
	Sichuan Yilian Construction Project Management Co., Ltd. (四川億聯建設工程項目管理有限公司)	545,129.77	1,005,685.92
	Zizhong Guangda Electric Engineering Co., Ltd. (資中縣光達電力工程有限公司)	261,465.67	—
	Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限責任公司)	84,000.00	—
	Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	80,000.00	80,000.00
	Sichuan Xinli Lighting Co., Ltd. (四川新力光源股份有限公司)	615.60	—
	Zizhong Guangda Electric Engineering Co., Ltd. (資中光達電力工程有限公司)	—	261,465.67
	Sichuan Natural Gas Investment Group Co., Ltd. (四川省天然氣投資集團有限責任公司)	—	77,408.34

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

6. Amounts due from/to related parties (continued)

Amounts due to related parties (continued)

Item	Related party	2025	2024
	Changning County Zhudu Electricity Co., Ltd. (長寧縣竹都電力有限公司)	—	1,880,000.00
	Sichuan Energy Investment Baishiji Industries Co., Ltd. (四川能投百事吉實業有限公司)	—	222,826.51
	Total	14,844,157.26	20,638,623.18
Contract liabilities	Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	1,002,645.82	4,023,435.24
	Sichuan Road & Bridge (Group) Co., Ltd. (四川公路橋樑建設集團有限公司)	972,577.42	—
	Sichuan Road and Bridge East China Construction Co., Ltd. (四川路橋華東建設有限責任公司)	469,790.61	—
	Sichuan Haorongding Construction Engineering Co., Ltd. (四川浩榮鼎建築工程有限公司)	229,972.11	775,281.52
	Gao County Fuxi Industry Concentration Zone Investment Development Co., Ltd. (高縣福溪工業集中區投資開發有限公司)	204,011.13	172,295.18
	Gao County Public Resources Service Management Co., Ltd. (高縣公共資源服務管理有限責任公司)	58,937.89	—
	Gao County Fenghui Grain and Edible Oil Co., Ltd. (高縣豐匯糧油有限責任公司)	27,651.05	44,247.79
	Gao County Urban-rural Investment Development and Construction Co., Ltd. (高縣城鄉投資開發建設有限責任公司)	11,009.17	—
	Sichuan Energy Investment Baishiji Industries Co., Ltd. (四川能投百事吉實業有限公司)	9,046.43	—
	Xingwen Guorun Water Supply Co., Ltd. (興文國潤供水有限公司)	63.40	—
	Gao County State-owned Assets Operation and Management Co., Ltd. (高縣國有資產經營管理有限責任公司)	—	14,571.57
	Sichuan Province Hydropower Investment and Management Group Zizhong Longyuan Electricity Co., Ltd. (四川省水電投資經營集團資中龍源電力有限公司)	—	1,349,349.36
	Gao County Shangyuan Water Investment Co., Ltd. (高縣上源水務投資有限責任公司)	—	225.36
	Total	2,985,705.03	6,379,406.02

X. RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)**6. Amounts due from/to related parties (continued)****Amounts due to related parties (continued)**

Item	Related party	2025	2024
Special payables	Sichuan Province Hydropower Investment and Management Group Co., Ltd. (四川省水電投資經營集團有限公司)	<u>952,572,400.00</u>	<u>721,707,700.00</u>

7. Transactions with other government-related entities in the PRC

The Group is a state-controlled entity and operates in an economic regime currently dominated by entities directly or indirectly owned or controlled by the PRC government and numerous government authorities and agencies (collectively referred to as "government-related entities"). Apart from transactions mentioned above, the Group conducts a majority of its business activities with other government-related entities in the ordinary course of business. During the reporting year, the Group had transactions with other government-related entities including, but not limited to purchase and sales of electricity, providing construction work services, deposits and borrowings, purchase of materials and receiving construction work services. The directors of the Company consider that the transactions with these government-related entities are conducted in the ordinary course of the Group's business on terms comparable to those with other entities that are not state-owned. The tariff of electricity is regulated by relevant government authorities. The Group prices its other services and products based on commercial negotiations. The Group has also established its pricing policies for products and services and financing policy for borrowing. Such pricing policies and financing policy do not depend on whether the counterparties are government-related entities or not. Having due regard to the substance of the relationships, we are of the opinion that none of these transactions individually or collectively are significant related party transactions that require separate disclosure.

8. Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of the usage services of rural power grid assets purchased by the Group from the parent company, and the sub-leasing services provided by the Group to Sichuan Changning Natural Gas Development Co., Ltd., the property catering services purchased by the Group from Sichuan Energy Investment Baishiji Industries Co., Ltd., purchase of electricity by the Group from Yibin Zhangwo, purchase of electricity by the Group from Shuifu Hongli and the purchase of electricity from Yiliangruiyuan Hydropower constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in sections "Non-exempt Continuing Connected Transactions" of the Directors' Report except those transactions which are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are sales of electricity on normal commercial terms in the ordinary and usual course of business pursuant to Rule 14A.97, or financial assistance received pursuant to Rule 14A.90, or below the de minimis threshold pursuant to Rule 14A.76.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

XI. CAPITAL MANAGEMENT

The Group's primary objectives of capital management are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders by pricing products and services commensurately with the level of risk and by ensuring access to finance at reasonable financial costs.

The Group defines "capital" as shareholders' equity plus borrowings from related parties with no fixed repayment term and less unrecognized dividends proposed for distribution. The Group's capital excludes balances of related party transactions.

The Group's capital structure is regularly reviewed and managed to achieve an optimal structure and returns to shareholders. The factors considered by the Group include: the Group's capital requirements in the future, capital efficiency, actual and expected profitability, expected cash flow, and estimated capital expenditures. If any change in the economic conditions affects the Group, the Group will adjust its capital structure.

Neither the Company nor any of the Company's subsidiaries are subject to external mandatory capital requirements.

XII. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

(1) Capital commitments

Item	2025	2024
Contracted	<u>225,548,051.01</u>	<u>249,937,305.28</u>
Total	<u>225,548,051.01</u>	<u>249,937,305.28</u>

(2) Unrecognized commitments relating to investments in associates

The Group has no unrecognized commitments relating to the investment in associates during the year.

2. Contingency

The Group had not experienced any material contingency during the year.

(1) Contingent liability

The Group did not have any significant contingent liabilities during the year.

(2) Contingent assets

The Group did not have any material contingent assets during the year.

XIII. POST BALANCE SHEET DATE EVENTS**1. Material non-adjusting post balance sheet date events**

Except for the dividend distribution disclosed in Note V.50, the Group had not experienced any other material non-adjusting post balance sheet date event during the year.

2. Profit distribution after the balance sheet date

Item	Amount
Profit or dividend proposed for distribution	128,922,924.00

Dividend for ordinary shares proposed for distribution after the balance sheet date

On 30 March 2026, the Board proposed the payment of cash dividends of RMB0.12 per share (2024: RMB0.14 per share) by the Company to the ordinary shareholders, totaling RMB128,922,924.00 (2024: RMB150,410,078.00). This proposal is subject to approval by the shareholders' general meeting. Cash dividends proposed after the balance sheet date had not been recognized as liabilities at the balance sheet date.

XIV. OTHER SIGNIFICANT EVENTS**1. Segment reporting**

The directors of the Company have been identified as the Group's most senior executive management. Operating segments are identified from financial information that is regularly reviewed by the Group's most senior executive management for the purpose of allocating resources and assessing performance.

The Group is principally engaged in generating and supplying of power and provision of electrical engineering construction services in the PRC. The Group's most senior executive management makes resources allocation decisions based on internal management functions and assesses the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, management considers the Group has only one operating segment and therefore, no segment information is presented.

The Group only operates in the Mainland China and accordingly, no geographical information is presented.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

XIV. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Directors' remuneration

Directors' remuneration in 2025:

Name	Note	Director's fees	Salaries, allowances and other benefits	Retirement scheme contributions	Total of 2025
Executive Directors					
Mr. He Jing		—	893,416.20	45,313.32	938,729.52
Mr. Wang Yuanchun		—	906,522.51	45,313.32	951,835.83
Ms. Xie Peixi		—	733,472.06	45,313.32	778,785.38
Non-executive Directors					
Ms. Xie Beidi	(2)	—	—	—	—
Mr. Yao Gengsheng	(2)	—	—	—	—
Mr. Xia Long	(2)	—	—	—	—
Mr. Chen Yan	(3)	—	—	—	—
Mr. Tao Xueqing	(2)	—	—	—	—
Ms. Han Chunhong	(2)	—	—	—	—
Mr. Zhao Gen	(2)	—	—	—	—
Mr. Kong Ce	(3)	—	—	—	—
Mr. Gao Bin		—	—	—	—
Independent non-executive Directors					
Mr. Siu Chi Hung		262,333.00	—	—	262,333.00
Mr. Chen Chuan		142,167.00	—	—	142,167.00
Mr. Mou Yingshi		143,333.00	—	—	143,333.00
Mr. Li Jian		156,333.00	—	—	156,333.00
Ms. He Yin		117,500.00	—	—	117,500.00
Supervisors					
Mr. Su Lijiang	(4)	—	356,203.75	38,077.10	394,280.85
Ms. Fu Ruoxue	(4)	—	—	—	—
Ms. Tian Wenwei	(4)	—	296,484.65	34,531.30	331,015.95
Ms. Deng Ruipu	(4)	—	—	—	—
Ms. Wang Meng	(4)	—	—	—	—
Ms. Sun Hui	(4)	—	—	—	—
Total		821,666.00	3,186,099.17	208,548.36	4,216,313.53

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

XIV. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Directors' remuneration (continued)

- (1) During the year, no emoluments were paid by the Group to the directors or any of the five highest paid individuals set out in Note XIV.3 as an inducement to join or upon joining the Group or as compensation for loss of office. No director has waived or agreed to waive any emoluments during the year.
- (2) On 18 June 2025, Mr. Tao Xueqing, Ms. Han Chunhong, and Mr. Zhao Gen resigned as non-executive directors; on 18 June 2025, Ms. Xie Beidi, Mr. Yao Gengsheng, and Mr. Xia Long were appointed as non-executive directors of the Company.
- (3) On 17 October 2025, Mr. Kong Ce resigned as a non-executive director of the Company; on 6 November 2025, Mr. Chen Yan was appointed as a non-executive director of the Company.
- (4) On 6 November 2025, according to the voting results of the first extraordinary general meeting of the Group in 2025, the Group abolished the board of supervisors.

Directors' remuneration in 2024:

Name	Director's fees	Salaries, allowances and other benefits	Retirement scheme contributions	Total of 2024
Executive Directors				
Mr. He Jing	—	725,311.28	44,929.56	770,240.84
Mr. Li Hui	—	503,923.01	7,047.70	510,970.71
Mr. Wang Yuanchun	—	702,761.76	44,929.56	747,691.32
Ms. Xie Peixi	—	686,079.92	44,929.56	731,009.48
Non-executive Directors				
Mr. Tao Xueqing	—	—	—	—
Ms. Han Chunhong	—	—	—	—
Ms. Liang Hong	—	—	—	—
Mr. Zhao Gen	—	—	—	—
Ms. Lv Yan	—	—	—	—
Mr. Gao Bin	—	—	—	—
Mr. Kong Ce	—	—	—	—
Independent non-executive Directors				
Mr. Kin Kwong Kwok Gary	156,250.00	—	—	156,250.00
Mr. Siu Chi Hung	99,750.00	—	—	99,750.00
Mr. Wang Peng	93,750.00	—	—	93,750.00
Mr. Chen Chuan	59,250.00	—	—	59,250.00
Ms. He Zhen	87,500.00	—	—	87,500.00
Mr. Mou Yingshi	58,500.00	—	—	58,500.00
Mr. Li Jian	159,000.00	—	—	159,000.00
Ms. He Yin	100,000.00	—	—	100,000.00

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

XIV. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Directors' remuneration (continued)

Name	Director's fees	Salaries, allowances and other benefits	Retirement scheme contributions	Total of 2024
Supervisors				
Mr. Su Lijiang	—	117,962.78	18,633.50	136,596.28
Ms. Fu Ruoxue	—	—	—	—
Ms. Tian Wenwei	—	101,280.10	12,258.27	113,538.37
Ms. Deng Ruipu	—	—	—	—
Ms. Wang Meng	—	—	—	—
Ms. Sun Hui	—	—	—	—
Ms. Li Jia	—	28,418.34	3,523.85	31,942.19
Mr. Liao Jun	—	—	—	—
Total	814,000.00	2,865,737.19	176,252.00	3,855,989.19

3. Individuals with highest emoluments

Of the five individuals (2024: five) with the highest emoluments, three (2024: three) are directors whose emoluments are reflected in the above table. The aggregate of the emoluments in respect of the other two (2024: two) individuals are as follows:

Item	2025	2024
Salaries and other emoluments	1,505,385.03	1,363,431.76
Retirement scheme contributions	90,626.64	89,859.12
Total	1,596,011.67	1,453,290.88

The emoluments of the two (2024: two) individuals with the highest emoluments are within the following bands:

Item	2025 Number of individuals	2024 Number of individuals
Nil — HKD1,000,000	2	2
Total	2	2

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. Accounts receivable

(1) Accounts receivable by customer type is as follows:

Customer type	2025	2024
Receivable due from subsidiaries	<u>32,030,293.17</u>	<u>29,894,940.50</u>
Subtotal	<u>32,030,293.17</u>	<u>29,894,940.50</u>
Less: Provision for bad and doubtful debts	<u>—</u>	<u>—</u>
Total	<u>32,030,293.17</u>	<u>29,894,940.50</u>

(2) Accounts receivable by ageing is as follows:

Ageing	2025	2024
Within 1 year (inclusive)	<u>32,030,293.17</u>	<u>29,894,940.50</u>
Subtotal	<u>32,030,293.17</u>	<u>29,894,940.50</u>
Less: Provision for bad and doubtful debts	<u>—</u>	<u>—</u>
Total	<u>32,030,293.17</u>	<u>29,894,940.50</u>

The ageing is counted starting from the date when accounts receivable are recognized.

(3) Accounts receivable by provision method

Category	2025					2024				
	Book balance		Provision for bad and doubtful debts		Carrying amount	Book balance		Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad and doubtful debts on portfolio basis										
— Portfolio of related parties	<u>32,030,293.17</u>	<u>100.00</u>	<u>—</u>	<u>—</u>	<u>32,030,293.17</u>	<u>29,894,940.50</u>	<u>100.00</u>	<u>—</u>	<u>—</u>	<u>29,894,940.50</u>
Total	<u>32,030,293.17</u>	<u>100.00</u>	<u>—</u>	<u>—</u>	<u>32,030,293.17</u>	<u>29,894,940.50</u>	<u>100.00</u>	<u>—</u>	<u>—</u>	<u>29,894,940.50</u>

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

2. Other receivables

	Note	2025	2024
Others	(1)	<u>2,494,267,053.59</u>	1,905,062,906.35
Total		<u>2,494,267,053.59</u>	<u>1,905,062,906.35</u>

(1) Others

(a) Other receivables by customer type:

Customer type	2025	2024
Receivable due from subsidiaries	<u>2,488,921,972.17</u>	1,899,675,744.35
Others	<u>5,345,081.42</u>	5,387,162.00
Subtotal	<u>2,494,267,053.59</u>	1,905,062,906.35
Less: Provision for bad and doubtful debts	<u>—</u>	<u>—</u>
Total	<u>2,494,267,053.59</u>	<u>1,905,062,906.35</u>

(b) Other receivables by ageing are as follows:

Ageing	2025	2024
Within 1 year (inclusive)	<u>637,543,015.07</u>	533,694,172.15
1 to 2 years (inclusive)	<u>533,382,556.65</u>	487,851,916.84
2 to 3 years (inclusive)	<u>449,824,868.74</u>	132,549,700.00
Over 3 years	<u>873,516,613.13</u>	750,967,117.36
Subtotal	<u>2,494,267,053.59</u>	1,905,062,906.35
Less: Provision for bad and doubtful debts	<u>—</u>	<u>—</u>
Total	<u>2,494,267,053.59</u>	<u>1,905,062,906.35</u>

The ageing is counted starting from the date when other receivables are recognized.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

2. Other receivables (continued)

(1) Others (continued)

(c) Other receivables by provision method

Category	2025					2024				
	Book balance		Provision for bad and doubtful debts		Carrying amount	Book balance		Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Provision for bad and doubtful debts on portfolio basis										
— Portfolio 1	2,494,267,053.59	100.00	—	—	2,494,267,053.59	1,905,062,906.35	100.00	—	—	1,905,062,906.35
Total	2,494,267,053.59	100.00	—	—	2,494,267,053.59	1,905,062,906.35	100.00	—	—	1,905,062,906.35

The Company's other receivables were mainly borrowings and other current accounts of subsidiaries within the scope of consolidation, which the Company considers are recoverable at any time and no provision for bad and doubtful debts is required.

3. Long-term equity investments

(1) Long-term equity investments by category:

Item	2025			2024		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investment in subsidiaries	1,267,436,116.02	—	1,267,436,116.02	1,267,436,116.02	—	1,267,436,116.02
Investment in associates	274,952,092.50	—	274,952,092.50	287,578,938.73	—	287,578,938.73
Total	1,542,388,208.52	—	1,542,388,208.52	1,555,015,054.75	—	1,555,015,054.75

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

3. Long-term equity investments (continued)

(2) Investment in subsidiaries

2025

Name	Opening balance	Increase during the year	Decrease during the year	Closing balance	Provision for impairment during the year	Closing balance of provision for impairment t
Sichuan Energy Investment Pingshan Electricity Co., Ltd. (四川能投屏山電力有限公司)	113,505,246.64	—	—	113,505,246.64	—	—
Sichuan Energy Investment Xingwen Electricity Co., Ltd. (四川能投興文電力有限公司)	97,349,923.01	—	—	97,349,923.01	—	—
Sichuan Energy Investment Gao County Electricity Co., Ltd. (四川能投高縣電力有限公司)	305,302,001.65	—	—	305,302,001.65	—	—
Sichuan Energy Investment Yuejiang Power Generation Co., Ltd. (四川能投月江發電有限公司)	3,000,000.00	—	—	3,000,000.00	—	—
Sichuan Energy Investment Yibin Xuzhou Electricity Co., Ltd. (四川能投宜賓市敘州電力有限公司)	60,000,000.00	—	—	60,000,000.00	—	—
Sichuan Energy Investment Gong County Electricity Co., Ltd. (四川能投珙縣電力有限公司)	44,763,745.89	—	—	44,763,745.89	—	—
Sichuan Energy Investment Junlian Electricity Co., Ltd. (四川能投筠連電力有限公司)	40,000,000.00	—	—	40,000,000.00	—	—
Shuifu Yangliutan Power Generation Co., Ltd. (水富楊柳灘發電有限公司)	340,314,958.06	—	—	340,314,958.06	—	—
Sichuan Energy Investment and Development Construction Co., Ltd. (四川能投發展建設有限公司)	101,100,240.77	—	—	101,100,240.77	—	—
Sichuan Energy Investment Electricity Energy Co., Ltd. (四川能投電能有限公司)	74,000,000.00	—	—	74,000,000.00	—	—
Sichuan Energy Investment Gao County Integrated Energy Co., Ltd. (四川能投高縣綜合能源有限公司)	12,000,000.00	—	—	12,000,000.00	—	—

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

3. Long-term equity investments (continued)

(2) Investment in subsidiaries (continued)

Name	Opening balance	Increase during the year	Decrease during the year	Closing balance	Provision for impairment during the year	Closing balance of provision for impairment t
Sichuan Energy Investment Junlian Green Energy Co., Ltd. (四川能投筠連綠色能源有限公司)	16,000,000.00	—	—	16,000,000.00	—	—
Sichuan Energy Investment Changning Green Energy Co., Ltd. (四川能投長寧綠色能源有限公司)	25,500,000.00	—	—	25,500,000.00	—	—
Sichuan Energy Xingwen Clean Energy Technology Co., Ltd. (四川能投興文清潔能源科技有限公司)	27,600,000.00	—	—	27,600,000.00	—	—
Sichuan Energy Investment Xingwen Green Energy Co., Ltd. (四川能投興文綠色能源有限公司)	7,000,000.00	—	—	7,000,000.00	—	—
Total	1,267,436,116.02	—	—	1,267,436,116.02	—	—

For information on the subsidiaries of the Company, please see Note VII.

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

3. Long-term equity investments (continued)

(3) Investments in associates:

2025

Name of investee	Opening balance	Investment income under equity method	Cash dividends or profits declared	Closing balance	Closing and opening balance of provision for impairment
Associates					
Emeishan Jinkun Micro-credit Co., Ltd. (峨眉山市金坤小額貸款有限公司)	53,425,099.12	68,538.45	—	53,493,637.57	—
Yibin Xuzhou District Jinkun Micro-credit Co., Ltd. (宜賓市敘州區金坤小額貸款有限公司)	106,768,461.83	346,128.70	—	107,114,590.53	—
Yibin Xinggang Electricity Co., Ltd. (宜賓市興港電力有限責任公司)	14,216,276.27	818,177.74	(469,517.28)	14,564,936.73	—
Shenzhen CEGN Co., Ltd. (深圳市車電網絡有限公司)	113,169,101.51	(13,390,173.84)	—	99,778,927.67	—
Total	287,578,938.73	(12,157,328.95)	(469,517.28)	274,952,092.50	—

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

XV. NOTES TO KEY ITEMS IN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (CONTINUED)

4. Operating revenue and operating costs

(1) Operating revenue and operating costs

Item	Note	2025		2024	
		Revenue	Cost	Revenue	Cost
Principal business		<u>51,703,403.55</u>	<u>5,380,934.29</u>	45,487,787.31	5,462,181.45
Total		<u>51,703,403.55</u>	<u>5,380,934.29</u>	<u>45,487,787.31</u>	<u>5,462,181.45</u>
Including: Revenue from contracts	XV.4(2)	<u>51,703,403.55</u>		<u>45,487,787.31</u>	

(2) Revenue from contracts

Type of contracts	2025	2024
Type of goods		
— Grid wheeling charges of subsidiaries	<u>26,879,773.51</u>	21,658,322.16
— Management fees of subsidiaries	<u>24,823,630.04</u>	23,829,465.15
Total	<u>51,703,403.55</u>	<u>45,487,787.31</u>
Classified by time of transfer of goods		
— Revenue recognized at a point in time	<u>26,879,773.51</u>	21,658,322.16
— Revenue recognized over time	<u>24,823,630.04</u>	23,829,465.15
Total	<u>51,703,403.55</u>	<u>45,487,787.31</u>

5. Investment income

Item	2025	2024
Investment income from long-term equity investments accounted for using the cost method	<u>573,278,298.33</u>	362,549,668.69
Investment loss from long-term equity investments accounted for using the equity method	<u>(12,157,328.95)</u>	(3,209,045.55)
Investment income from financial assets held for trading during the holding period	<u>—</u>	564,965.75
Total	<u>561,120,969.38</u>	<u>359,905,588.89</u>

Notes to the Financial Statements

(Expressed in RMB unless otherwise indicated)

XVI. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with “Regulation on the Preparation of Information Disclosures of Companies Issuing Public Shares No.9 — Calculation and Disclosure of the Return on Net Assets and Earnings Per Share” (2010 revision) issued by the CSRC and relevant accounting standards, the Group’s return on net assets and earnings per share are calculated as follows:

Profit for the reporting period	Weighted average return on net assets	Basic earnings per share
Net profit attributable to ordinary shareholders of the Company	<u>7.48%</u>	<u>0.27</u>

The calculation of basic earnings per share is detailed in Note V.44.