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Solargiga Energy Holdings Limited
陽光能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 757)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

- **Resilient Operating Cash Flow:** Despite the severe industry downturn and a net loss recorded by the Group in 2025, the Group successfully maintained a net cash inflow from operating activities for both the years ended 31 December 2024 and 2025, demonstrating strong cash flow management and operational resilience.
- **Solid Liquidity and Financial Resources:** The Group maintained solid liquidity as at 31 December 2025, with existing banking facilities continuing to be available from its principal bankers, ensuring sufficient financial buffers and working capital to navigate the industry cycle.
- **Stable Working Capital Management:** The Group maintained a sufficient current ratio of 1.1 as at 31 December 2025. Furthermore, trade payable turnover days remained stable, reflecting robust working capital management and solid, continuous support from our supply chain partners.

ANNUAL RESULTS

The directors (the “**Directors**”) of Solargiga Energy Holdings Limited (the “**Company**”) announce the results of the Company and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2025 (the “**Year**” or “**year**”) and the comparative figures as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	4	2,427,459	3,706,198
Cost of sales		<u>(2,383,113)</u>	<u>(3,602,159)</u>
Gross profit		44,346	104,039
Other income and gains, net	5	66,670	124,576
Selling and distribution expenses		(10,649)	(75,189)
Administrative expenses		(174,083)	(219,989)
(Impairment losses)/reversal of impairment losses on financial and contract assets		(74,520)	3,538
Impairment losses of non-current assets		(74,392)	(107,932)
Other expenses		(4,217)	(1,255)
Finance costs	7	<u>(42,990)</u>	<u>(59,999)</u>
Loss before tax	6	(269,835)	(232,211)
Income tax (expense)/credit	8	<u>(15,446)</u>	<u>5,215</u>
Loss for the year		<u>(285,281)</u>	<u>(226,996)</u>
Attributable to:			
Owners of the parent		(285,314)	(227,084)
Non-controlling interests		<u>33</u>	<u>88</u>
		<u>(285,281)</u>	<u>(226,996)</u>
Basic and diluted losses per share attributable to ordinary equity holders of the parent (RMB cents)	10	<u>(8.58)</u>	<u>(6.83)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss for the year	(285,281)	(226,996)
Other comprehensive income/(loss)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>1,414</u>	<u>(848)</u>
Other comprehensive income/(loss) that may not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements	282	–
Changes in fair value of equity investments designated at fair value through other comprehensive income	<u>(3,214)</u>	<u>141</u>
Other comprehensive loss, net of tax	<u>(1,518)</u>	<u>(707)</u>
Total comprehensive loss for the year	<u><u>(286,799)</u></u>	<u><u>(227,703)</u></u>
Attributable to:		
Owners of the parent	(286,832)	(227,791)
Non-controlling interests	<u>33</u>	<u>88</u>
Total comprehensive loss for the year	<u><u>(286,799)</u></u>	<u><u>(227,703)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		548,767	608,814
Long term prepayments and other assets		41,965	37,679
Goodwill		—	—
Right-of-use assets		119,584	129,304
Investments in associates		—	1,102
Equity investments designated at fair value through other comprehensive income		627	3,841
Deferred tax assets		3,682	15,099
Total non-current assets		714,625	795,839
Current assets			
Inventories		328,124	376,852
Trade and bills receivables, and contract assets	<i>11</i>	1,062,383	1,782,169
Prepayments, other receivables and other assets	<i>12</i>	360,901	246,157
Current tax recoverable		99	334
Pledged deposits		501,486	510,979
Cash and cash equivalents		240,691	270,699
Total current assets		2,493,684	3,187,190
Current liabilities			
Interest-bearing bank and other borrowings	<i>13</i>	964,232	952,661
Trade and bills payables	<i>14</i>	1,155,889	1,563,184
Other payables and accruals		175,045	153,888
Contract liabilities		5,911	34,457
Current tax payable		37,095	34,809
Warranty provision		5,672	1,367
Current portion of lease liabilities		8,159	8,207
Total current liabilities		2,352,003	2,748,573
Net current assets		141,681	438,617
Total assets less current liabilities		856,306	1,234,456

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Non-current liabilities			
Interest-bearing bank and other borrowings	<i>13</i>	1,163	1,544
Deferred tax liabilities		2,306	2,282
Deferred income		65,853	83,800
Lease liabilities		39,957	37,874
Warranty provision		71,394	146,524
		<u>180,673</u>	<u>272,024</u>
Total non-current liabilities		180,673	272,024
Net assets		675,633	962,432
Equity			
Equity attributable to owners of the parent			
Share capital		285,924	285,924
Reserves		372,160	658,992
		658,084	944,916
Non-controlling interests		17,549	17,516
Total equity		675,633	962,432

NOTES

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “IASB”), HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments and certain bills receivable which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of presentation

For the year ended 31 December 2025, the Group recorded a net loss of approximately RMB285.3 million. As at 31 December 2025, the Group had cash and cash equivalents of RMB240.7 million. As at the same date, the Group had outstanding interest-bearing bank and other borrowings of approximately RMB965.4 million, among which approximately RMB964.2 million are due for repayment within 12 months and the remaining amount of approximately RMB1.2 million are repayable beyond one year from the end of the reporting period.

In preparing the financial statements, the directors of the Company have given careful consideration to the Group’s future liquidity requirements, operating performance and available sources of financing in assessing the Group’s ability to continue operating as a going concern, and the directors of the Company are of the view that the Group will have sufficient working capital to finance its operations in the next twelve months from 31 December 2025, after taking into consideration the following:

- (i) the existing banking facilities available to the Group as at 31 December 2025 and on the assumption that such facilities will continue to be available and renew upon expiry from the Group’s principal bankers; and
- (ii) the estimated cash flows of the Group for the next twelve months from the end of the reporting period, in particular, with the consideration of the upcoming business operation plans and the improvement of gross profit margin of photovoltaic modules.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The IASB has issued amendments to IFRS Accounting Standards that are first effective for the current accounting year commencing 1 January 2025. The equivalent amendments to HKFRS Accounting Standards issued by the HKICPA have the same effective dates as those issued by the IASB and are in all material aspects identical to the pronouncements issued by the IASB.

The Group has adopted the following amendments for the first time for the current year’s financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

- Amendments to IAS 21/HKAS 21 *Lack of Exchangeability*
- Amendments to Illustrative Examples on IFRS 7/HKFRS 7, IFRS 18/HKFRS 18, IAS 1/HKAS 1, IAS 8/HKAS 8, IAS 36/HKAS 36 and IAS 37/HKAS 37 *Disclosures about Uncertainties in the Financial Statements*

These amendments did not have any impact on the Group’s financial statements.

3. OPERATING SEGMENT INFORMATION

In a manner consistent with the way in which information is reported internally to the executive directors of the Company, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and performance assessment, the Group has identified three reportable segments in 2025 and 2024:

- (i) the manufacture and trading of photovoltaic modules, and provision of related processing services (“Segment A”);
- (ii) the construction and operation of photovoltaic power plants (“Segment B”); and
- (iii) the manufacture and trading of semiconductors, the trading of monocrystalline silicon solar cells and others (“Segment C”).

No operating segments have been aggregated to form these reportable segments. Revenue, costs and expenses are allocated to those reportable segments with reference to sales generated by those segments and the costs and expenses incurred by those segments.

Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Group’s CODM monitors the results, assets and liabilities attributable to each reportable segment on the basis as they are presented in the Group’s financial statements.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Information regarding the Group’s reportable segments as provided to the Group’s CODM for the years ended 31 December 2025 and 2024 is set out below:

	Segment A		Segment B		Segment C		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Revenue from external customers (note 4)	2,220,273	3,529,839	45,648	129,947	161,538	46,412	2,427,459	3,706,198
Intersegment revenue	2,264,631	4,218,189	68,104	38,407	193,379	228,745	2,526,114	4,485,341
Reportable segment revenue	<u>4,484,904</u>	<u>7,748,028</u>	<u>113,752</u>	<u>168,354</u>	<u>354,917</u>	<u>275,157</u>	<u>4,953,573</u>	<u>8,191,539</u>
Reportable segment (loss)/profit	<u>(266,631)</u>	<u>(246,481)</u>	<u>(5,321)</u>	<u>10,138</u>	<u>(13,329)</u>	<u>9,347</u>	<u>(285,281)</u>	<u>(226,996)</u>
Reportable segment assets	<u>1,626,401</u>	<u>2,339,565</u>	<u>319,823</u>	<u>311,084</u>	<u>1,262,085</u>	<u>1,332,380</u>	<u>3,208,309</u>	<u>3,983,029</u>
Reportable segment liabilities	<u>1,709,428</u>	<u>2,200,077</u>	<u>212,831</u>	<u>194,998</u>	<u>610,417</u>	<u>625,522</u>	<u>2,532,676</u>	<u>3,020,597</u>

Other segment information:

	Segment A		Segment B		Segment C		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	<i>RMB'000</i>							
Interest income from bank deposits	6,185	10,161	1,801	25	1,463	1,826	9,449	12,012
Finance costs	(25,079)	(38,439)	(7,212)	(8,298)	(10,699)	(13,262)	(42,990)	(59,999)
Depreciation	(107,352)	(145,686)	(10,317)	(5,491)	(8,923)	(9,876)	(126,592)	(161,053)
Investments in associates	—	1,102	—	—	—	—	—	1,102
(Impairment losses)/reversal of impairment losses on financial and contract assets	(72,013)	7,844	(1,691)	(4,502)	(816)	196	(74,520)	3,538
Reversal of write-down/(write-down) of inventories	7,438	26,405	935	(935)	1,596	(1,950)	9,969	23,520
Impairment losses of property, plant and equipment	(57,576)	(107,932)	—	—	(8,966)	—	(66,542)	(107,932)
Impairment losses of right-of-use assets	(6,273)	—	—	—	—	—	(6,273)	—
Impairment losses of long term prepayment and other assets	(1,577)	—	—	—	—	—	(1,577)	—
Reversal of provision for warranties	51,580	28,725	—	—	—	—	51,580	28,725
Capital expenditure*	<u>76,937</u>	<u>60,328</u>	<u>43,440</u>	<u>113,918</u>	<u>2,263</u>	<u>2,150</u>	<u>122,640</u>	<u>176,396</u>

* Capital expenditure consists of additions to property, plant and equipment.

Geographic information

Substantially all of the Group's property, plant and equipment, right-of-use assets, and investments in associates are located or operated in the Chinese mainland.

The following table sets out information about the Group's revenue from external customers by geographical location. The geographical location of a customer is based on the location of the customer.

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Chinese mainland	<u>2,052,022</u>	<u>3,172,582</u>
Export sales		
— Japan	298,170	364,145
— Europe	—	137,683
— Asia (excluding Japan)	74,972	30,680
— Others	<u>2,295</u>	<u>1,108</u>
Sub-total	<u>375,437</u>	<u>533,616</u>
Total	<u>2,427,459</u>	<u>3,706,198</u>

Information about major customers

For the year ended 31 December 2025, revenue from each of the major customers, including a group of entities which are known to be under common control with one of these customers, which individually amounted to 10% or more of the Group's total revenue, is set out below:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Customer A		
— From Segment A	<u>857,682</u>	<u>708,630</u>
Customer B		
— From Segment A and C	<u>627,857</u>	<u>2,110</u>
Customer C		
— From Segment A	<u>368,936</u>	<u>512,150</u>
Customer D		
— From Segment A	<u>120,210</u>	<u>394,317</u>
Customer E		
— From Segment A	<u>43,078</u>	<u>427,682</u>

4. REVENUE

An analysis of revenue of the Group is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Manufacture and trading of photovoltaic modules	1,754,377	3,527,729
Manufacture and trading of semiconductors and others	161,538	46,412
Construction and operation of photovoltaic power plants	45,648	129,947
Processing services*	<u>465,896</u>	<u>2,110</u>
Total	<u>2,427,459</u>	<u>3,706,198</u>

* During the year, the Group provided processing services for photovoltaic modules to the subsidiaries of two listed entities, both of which expanded their photovoltaic business in 2025.

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2025

	Segment A <i>RMB'000</i>	Segment B <i>RMB'000</i>	Segment C <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods and service				
Sale of industrial products	1,754,377	20,826	161,538	1,936,741
Processing services	465,896	—	—	465,896
Construction services	—	24,822	—	24,822
Total	<u>2,220,273</u>	<u>45,648</u>	<u>161,538</u>	<u>2,427,459</u>
Geographical markets				
Chinese mainland	1,845,390	45,094	161,538	2,052,022
Japan	298,170	—	—	298,170
Asia (excluding Japan)	74,418	554	—	74,972
Other	2,295	—	—	2,295
Total	<u>2,220,273</u>	<u>45,648</u>	<u>161,538</u>	<u>2,427,459</u>
Timing of revenue recognition				
Goods transferred at a point in time	1,754,377	20,826	161,538	1,936,741
Services transferred over time	465,896	24,822	—	490,718
Total	<u>2,220,273</u>	<u>45,648</u>	<u>161,538</u>	<u>2,427,459</u>

For the year ended 31 December 2024

	Segment A <i>RMB'000</i>	Segment B <i>RMB'000</i>	Segment C <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods and service				
Sale of industrial products	3,527,729	8,211	46,412	3,582,352
Processing services	2,110	—	—	2,110
Construction services	—	121,736	—	121,736
Total	<u>3,529,839</u>	<u>129,947</u>	<u>46,412</u>	<u>3,706,198</u>
Geographical markets				
Chinese mainland	2,996,223	129,947	46,412	3,172,582
Japan	364,145	—	—	364,145
Europe	137,683	—	—	137,683
Asia (excluding Japan)	30,680	—	—	30,680
Other	1,108	—	—	1,108
Total	<u>3,529,839</u>	<u>129,947</u>	<u>46,412</u>	<u>3,706,198</u>
Timing of revenue recognition				
Goods transferred at a point in time	3,527,729	8,211	46,412	3,582,352
Services transferred over time	2,110	121,736	—	123,846
Total	<u>3,529,839</u>	<u>129,947</u>	<u>46,412</u>	<u>3,706,198</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of industrial products	34,429	35,633
Construction services	28	2,363
Total	<u>34,457</u>	<u>37,996</u>

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of industrial products

The performance obligation is satisfied upon the acceptance of industrial products by customers and payment is generally due within 30 to 90 days from acceptance by customers, except for new customers and small-sized customers, where payment in advance is normally required.

Processing service

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days after completion of services.

Construction services

The performance obligation is satisfied over time as services are rendered. Payment in advance is normally required at the beginning of the service, and progress payment is generally due within 30 to 90 days from the date of billing.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and 2024, respectively are as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Sale of industrial products	4,865	34,429
Construction services	1,046	28
Within one year	<u>5,911</u>	<u>34,457</u>

5 OTHER INCOME AND GAINS, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other income		
Government grants	42,961	72,575
Interest income from bank deposits	<u>9,449</u>	<u>12,012</u>
	<u>52,410</u>	<u>84,587</u>
Other gains/(losses), net		
Net foreign exchange gain	3,801	3,793
Net (loss)/gain on disposal of property, plant and equipment (i)	(427)	19,794
Gain from sales of other materials	8,266	2,130
(Loss)/gain on disposal of an associate	(102)	52
Share of profits of associates	–	102
Gain on disposal of a subsidiary	88	–
Others (ii)	<u>2,634</u>	<u>14,118</u>
	<u>14,260</u>	<u>39,989</u>
Other income and gains, net	<u>66,670</u>	<u>124,576</u>

- (i) In March 2024, Shanghai Jingji Electronic Materials Co., Ltd., a wholly-owned subsidiary of the Company, completed the disposal of its plants which were built before year 2010 to the local government, with the disposal gain of RMB21,458,000.
- (ii) For the year ended 31 December 2024, the amount included receipt of the trade receivables of RMB11,034,000 that had been written off in previous years.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(a) Staff costs (including directors' remuneration) ⁽ⁱ⁾		
Salaries, wages and other benefits	208,512	237,709
Contributions to retirement schemes	<u>15,789</u>	<u>21,986</u>
Total	<u><u>224,301</u></u>	<u><u>259,695</u></u>
(b) Auditors' remuneration		
Audit services	2,150	2,440
Non-audit services	<u>169</u>	<u>204</u>
Total	<u><u>2,319</u></u>	<u><u>2,644</u></u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(c) Other items		
Depreciation of right-of-use assets	13,521	12,641
Depreciation of property, plant and equipment ⁽ⁱ⁾	113,071	148,412
Reversal of provision for write-down of inventories	(9,969)	(23,520)
Reversal of provision for warranties	(51,580)	(28,725)
Research and development costs	16,943	18,642
Impairment losses/(reversal of impairment losses) on financial and contract assets	74,520	(3,538)
Impairment losses of property, plant and equipment	66,542	107,932
Impairment losses of right-of-use assets	6,273	—
Impairment losses of long term prepayments and other assets	1,577	—
Net loss/(gain) on disposal of property, plant and equipment	427	(19,794)
Cost of inventories sold ⁽ⁱ⁾	1,896,912	3,509,719
Cost of services rendered ⁽ⁱ⁾	486,201	92,440
Interest income from bank deposits	(9,449)	(12,012)
Loss/(gain) on disposal of investment in an associate	102	(52)
Gain on disposal of a subsidiary	(88)	—
Share of profits of associates	—	102
Lease payments not included in the measurement of lease liabilities	<u><u>4,002</u></u>	<u><u>5,924</u></u>

(i) Cost of inventories sold and cost of services rendered include, in aggregate, RMB258,019,000 for the year ended 31 December 2025 (2024: RMB324,290,000), relating to staff costs and depreciation.

7 FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank and other loans	40,235	57,197
Interest on lease liabilities	<u>2,755</u>	<u>2,802</u>
Total interest expenses on financial liabilities not at fair value through profit or loss	<u><u>42,990</u></u>	<u><u>59,999</u></u>

8 INCOME TAX

(a) Income tax in the consolidated statement of profit or loss represents:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax — the People's Republic of China (the "PRC")		
Provision for the year	3,822	11,432
Underprovision/(overprovision) in respect of prior years	<u>183</u>	<u>(4,989)</u>
	4,005	6,443
Deferred tax	<u>11,441</u>	<u>(11,658)</u>
Total income tax expense/(credit)	<u><u>15,446</u></u>	<u><u>(5,215)</u></u>

- (b) A reconciliation of the tax expense applicable to loss before tax at the statutory rate for the country in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense/(credit) at the effective tax rate is as follows:

	2025	2024
	RMB'000	RMB'000
Loss before tax	<u>(269,835)</u>	<u>(232,211)</u>
Tax at the statutory tax rate	<u>(67,459)</u>	<u>(58,053)</u>
Tax effect of non-deductible expenses	3,460	3,377
Tax effect of non-taxable income	(3,501)	(2,298)
Effect of differential tax rates	1,420	5,182
Effect of tax concessions	24,635	18,393
Tax effect of unused tax losses and temporary differences not recognised	61,085	41,566
Utilisation of unused tax losses and temporary differences not recognised in previous periods	(4,377)	(7,378)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	–	(1,015)
Adjustments in respect of current tax of previous periods	<u>183</u>	<u>(4,989)</u>
Tax charge/(credit) at the Group's effective rate	<u>15,446</u>	<u>(5,215)</u>

9 DIVIDENDS

The board does not recommend to declare a final dividend for the year ended 31 December 2025 (2024: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to the ordinary equity holders of the parent of RMB285,314,000 (2024: RMB227,084,000) and the weighted average of 3,323,771,133 (2024: 3,323,771,133) ordinary shares of the Company in issue during the year.

(b) Diluted loss per share

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the Group had no dilutive potential ordinary shares in issue during the years ended 31 December 2025 and 2024.

11. TRADE AND BILLS RECEIVABLES, AND CONTRACT ASSETS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	1,002,498	1,279,165
Bills receivable	<u>81,267</u>	<u>418,492</u>
	1,083,765	1,697,657
Impairment	<u>(105,310)</u>	<u>(45,214)</u>
Sub-total	<u>978,455</u>	<u>1,652,443</u>
Contract assets	95,335	133,507
Impairment	<u>(11,407)</u>	<u>(3,781)</u>
Sub-total	<u>83,928</u>	<u>129,726</u>
Total	<u><u>1,062,383</u></u>	<u><u>1,782,169</u></u>

(a) Trade and bills receivables

The Group normally grant a credit period of 30 to 90 days to its customers. However, regarding domestic photovoltaic module sales, some trade receivables are granted longer credit periods of over 180 days depending on the construction period of photovoltaic power plants. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025	2024
	RMB'000	RMB'000
Within 1 year	758,994	877,707
1 to 2 years	55,583	255,775
2 to 3 years	45,523	52,843
Over 3 years	37,088	47,626
Total	897,188	1,233,951

The ageing of bills receivable at the end of the reporting period is mainly within 6 months.

(b) Contract assets

	2025	2024
	RMB'000	RMB'000
Contract assets arising from:		
Sale of industrial products	81,831	101,273
Construction services	13,504	32,234
	95,335	133,507
Impairment	(11,407)	(3,781)
Total	83,928	129,726

Contract assets are initially recognised for revenue earned from the sale of industrial products and the provision of related construction services as the receipt of consideration is conditional on successful completion of delivery of the industrial products and construction, respectively. Included in quality guarantees for the sale of industrial products and contract assets for construction services are retention receivables. Upon completion of delivery or construction and acceptance by customers, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets in 2025 was due to the expiration of quality guarantee receivables on the sale of industrial products and the declining trend of providing construction services during the year.

The expected timing of recovery or settlement for contract assets as at 31 December 2025 and 2024, respectively is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	<u>83,928</u>	<u>129,726</u>

(c) Impairment

As at 31 December 2025 and 2024, bills receivable were all bank acceptance bills and commercial acceptance bills with a maturity of one to twelve months, and management considered the probability of default as minimal.

The movements in the loss allowance for impairment of trade receivables and contract assets are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At the beginning of year	48,995	52,533
Impairment losses/(reversal of impairment losses)	<u>67,722</u>	<u>(3,538)</u>
At the end of year	<u>116,717</u>	<u>48,995</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (“ECLs”). The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The Group has established a provision matrix that is based on the ageing of balances for groupings of various customers with similar loss patterns, repayment histories, and existing customer-specific and market conditions, and also taking into consideration of forward-looking information, including the industry trends and overall economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

The increase in the impairment was due to the following significant changes in the gross carrying amount:

For the year ended 31 December 2025, the Group's net impairment losses on trade receivables and contract assets amounted to approximately RMB67.72 million. During the year, there were disputes between the Group and several of its customers who refused to comply with their duties, and the Group has filed lawsuits or planned to file lawsuits against these customers. So the Group individually assessed the expected loss rates for receivables due from these customers and provided impairment losses amounting to approximately RMB56.47 million, the aggregate gross receivables due from these customers were approximately RMB101.86 million.

For the year ended 31 December 2024, the Group's net reversal of impairment losses on trade receivables and contract assets amounted to approximately RMB3.54 million.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets as at 31 December 2025 and 2024, respectively:

As at 31 December 2025

	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Within 1 year	1.36	776,173	10,532
Between 1 and 2 years	15.85	129,001	20,450
Between 2 and 3 years	37.43	107,534	40,249
Over 3 years	53.43	85,125	45,486
Total		<u>1,097,833</u>	<u>116,717</u>

As at 31 December 2024

	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Within 1 year	0.62	980,483	6,073
Between 1 and 2 years	1.92	294,281	5,656
Between 2 and 3 years	9.87	58,790	5,804
Over 3 years	39.77	79,118	31,462
Total		<u>1,412,672</u>	<u>48,995</u>

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025	2024
	RMB'000	RMB'000
Prepayments for raw materials	228,682	88,386
Deductible value-added tax	80,034	85,255
Other receivables	58,983	72,516
	367,699	246,157
Impairment allowance	(6,798)	–
Total	360,901	246,157

Notes:

Other receivables mainly represent deposits and receivables from sales of property, plant and equipment, and an impairment analysis is performed at each reporting date by considering the probability of default.

As at 31 December 2025, the probability of default applied ranged from 1.50% to 35.82% and the loss given default was estimated to be 40% or 75%, which were determined by whether the amounts were past due. In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied where there were no comparable companies as at 31 December 2025 ranged from 0.60% to 26.87%. As at 31 December 2024, the loss allowance was assessed to be minimal.

13 INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	31 December 2025			31 December 2024		
		Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current:							
Bank loans — secured	(a)	3.450-4.800	2026	295,500	4.800-6.050	2025	455,500
RMB				295,500			455,500
Bank loans — guaranteed	(b)	2.800-4.800	2026	644,191	2.700-5.800	2025	461,514
RMB				626,490			443,400
USD				17,701			18,114
Other loans —secured	(c)	1.000-2.000	2026	21,163	1.000-2.000	2025	1,880
RMB				21,163			1,880
Other loans —guaranteed	(b)	5.000	2026	2,997	5.000-5.475	2025	6,240
HKD				2,997			2,646
USD				-			3,594
Current portion of long-term borrowings:							
Other loans — secured	(c)	9.300	2026	381	5.000-7.160	2025	27,527
RMB				381			27,527
Total				<u>964,232</u>			<u>952,661</u>
Non-current:							
Other loans — secured	(c)	9.300	2027-2029	1,163	9.300	2026-2029	1,544
RMB				1,163			1,544
Total				<u>1,163</u>			<u>1,544</u>

Notes:

- (a) The bank loans of the Group are secured by:
- (i) the Group's property, plant and equipment with the net book value of RMB138,260,000 (2024: RMB126,906,000);
 - (ii) the Group's right-of-use assets with a carrying amount of RMB3,146,000 (2024: RMB3,256,000); and
 - (iii) the Group's pledged deposits amounting to RMB5,000,000 (2024: Nil).
- (b) Certain subsidiaries' borrowings are guaranteed by the other subsidiaries of the Group, and personal guarantees of Mr. Tan Xin or Mr. Tan Wenhua.
- (c) Other loans of the Group are secured by:
- (i) the Group's bills receivable amounting to RMB21,163,000 (2024: RMB1,880,000); and
 - (ii) the Group's property, plant and equipment with the net book value of RMB2,006,000 (2024: RMB65,545,000).

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Analysed into:		
Bank loans repayable:		
Within one year or on demand	<u>939,691</u>	<u>917,014</u>
Other borrowings repayable:		
Within one year	24,541	35,647
In the following years	<u>1,163</u>	<u>1,544</u>
	<u>25,704</u>	<u>37,191</u>
Total	<u>965,395</u>	<u>954,205</u>

14. TRADE AND BILLS PAYABLES

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	552,231	916,246
Bills payable	603,658	646,938
	<hr/>	<hr/>
Total	<u>1,155,889</u>	<u>1,563,184</u>

- (a) The ageing analysis of trade and bills payables at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 month	248,318	550,019
1 to 3 months	237,158	410,330
4 to 6 months	612,658	555,024
7 to 12 months	31,627	24,139
Over 1 year	26,128	23,672
	<hr/>	<hr/>
Total	<u>1,155,889</u>	<u>1,563,184</u>

- (b) As at 31 December 2025, the Group's bills payable of RMB603,658,000 (31 December 2024: RMB646,938,000) were secured by Group's pledged deposits of RMB489,062,000 (31 December 2024: RMB510,139,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review

Operations Summary

Driven by the global trend of energy transition from high-carbon to low-carbon towards a zero-carbon world, coupled with increased governments' policies and strategic supports, significant decline in costs, and continuous advancement in photovoltaic and energy storage technologies, photovoltaic energy is expected to remain the fastest growing energy source and the most widely adopted energy form. Compared to other sources of renewable energy and fossil fuel, photovoltaics maintains a fundamental competitive advantage, thus the trend of sustained growth in demand for photovoltaic products has already occurred, and the share of photovoltaic energy in the energy mix is projected to continue increasing. The Group has maintained a high-quality development in business in, and has continuously focused on, the manufacturing and sales of downstream photovoltaic modules in the photovoltaic industry. Our major customers of photovoltaic modules include large domestic state-owned enterprises in the People's Republic of China (the "PRC"), multinational corporations and other photovoltaic end-user customers. In addition, the Group is engaged in the installation of photovoltaic systems and the development, design, construction, operation and maintenance of photovoltaic generation plants.

As the first batch of domestic photovoltaic enterprises engaged in the production of photovoltaic products, with 20 years of experience in the photovoltaic industry, the Group now has accumulated extensive industry experience in terms of technology, domestic and overseas market development, industrial chain cooperation, brand effect, premium services, etc. Subsidiaries of the Group have obtained more than 400 National patents, third prize of National Business Science and Technology Progress Award, first prize for China's Industry-Academic Cooperation Innovation Achievement and more than 40 provincial and municipal science and technology first prizes, second prizes, and achievement awards. The awards are: National High-tech Enterprise, National Green Factory, National Intelligent Photovoltaic Pilot Demonstration Enterprise, National Photovoltaic Manufacturing Industry Specified Conditions Admission Regulated Enterprise, National Intellectual Property Advantage Enterprise, National Specialized and New "Little Giant" Enterprise, National 5G Factory, Machinery Industry Science and Technology Progress Award, Provincial Specialized and New Small and Medium-sized Enterprise, Provincial Advanced Intelligent Factory, Provincial Potential Unicorn, Provincial Industrial Internet Platform, Provincial First Batch of Carbon Peaking and Carbon Neutrality Pilot Project, Mayor's Quality Award, Provincial Green Supply Chain Management Enterprise, Provincial Five-star Cloud Enterprise, Provincial Enterprise Technology Center, Provincial Engineering Technology Research Center, Photovoltaic Testing Center with China National Accreditation Service for Conformity Assessment's laboratory accredited, National Model Enterprise of Harmonious Labor Relations – Excellent Enterprise, National Civilized Unit, Top 500 Global New Energy Companies in 2025 (No.480), Top 500 PRC Energy Companies in 2025 (No.418), Top 20 PRC Photovoltaic Module Companies in 2025 (No.15), Photovoltaic Brand Lab (PVBL) 2025 Global Photovoltaic Top 100, PVBL 2025 Outstanding Service Enterprise in the Photovoltaic and Storage Industry, 2025 Photovoltaic Cup Most Influential Photovoltaic Module Enterprise of the Year, 2024 Leading China's Top 100 Renewable Energy Photovoltaic Companies – Outstanding Photovoltaic Cell/Module Enterprises Award, 2025 (7th) China Household and Industrial and Commercial Photovoltaic Storage and Charging Industry's Module Product Award. The Group is the vice chairman unit of PRC Photovoltaic Industry Association, vice chairman unit of Semiconductor Materials Branch of and standing council unit of China Electronic Materials Industry Association, Household Photovoltaic Professional Committee unit, Standardization Technical Committee unit and Photoelectric Building Professional Committee unit of China Photovoltaic Industry Association and expert member of Photovoltaic Professional Committee of China Renewable Energy Society. Solar photovoltaic modules are rated as national grade's green design products.

As at 31 December 2025, the total production capacity of our production bases was 10.6 GW of modules due to the production scale, the high-efficiency and high production capacity layout of the Group. Overall, the Group will continue to improve and demonstrate stronger comprehensive competitiveness and solid reputation, and is committed to providing customers with high-quality and cost-leading products.

Module businesses

Since 2009, the Group has been engaged in module production, accumulating its decade-long rich experience and mastering advanced production technology and process in monocrystalline module production. The monocrystalline products that the Group focuses on has not only become the market mainstream, but after years of development, it also further expanded and strengthened the deployment and sales of monocrystalline silicon high-efficiency module products such as N-type high-efficiency modules, large-format modules, zero busbar modules, flexible modules, offshore floating modules, multi busbar cell modules, all-black modules and other high-end products.

The Group's current main manufacturing base for monocrystalline modules is located in Yancheng city, Jiangsu province. This location not only enjoys the various supportive investment policies offered by the local government, but is also situated in the area around the Yangtze River Delta, which is already an agglomeration area for the supply of raw and auxiliary materials, thereby giving a significant procurement advantage. In order to meet the evolving needs of module customers in the market, the Group has upgraded module production capacity in Yancheng city, Jiangsu province, to maintain the advanced stage of the production lines and further strengthen the economic scale advantage of module products. As of 31 December 2025, the module production capacity of the production base in Yancheng city, Jiangsu province was 8.7 GW, while the total module production capacity of the Group was 10.6 GW. Through the completion of the layout of high-efficiency production capacity, the Group's module business has begun to show stronger overall competitiveness and the production cost reduction, and has led to obvious market benefits and customer support.

External sales of modules were mainly made to large state-owned enterprises in the PRC and international multinational enterprises, such as State Power Investment Corporation (中國國家電力投資集團公司) (“SPIC”), SHARP Corporation (“SHARP”), Xinyi Glass Holdings Limited and Xinyi Solar Group (信義玻璃與信義光能集團), Sungrow Power Supply Co., Ltd (陽光電源股份有限公司), China General Nuclear Power Corporation, Xinhua Hydropower Company Limited, China Green Development, Dongfang Electric Corporation, CCCC Second Highway Engineering, Trina Solar, Astronergy, Skyworth and Power Construction Corporation of China etc. The Group has been collaborating with these enterprises to continuously expand module sales business for domestic and foreign clients.

The Group focuses on manufacturing monocrystalline silicon photovoltaic products. Further, the Group has also introduced SHARP's global leading 40-year quality assurance system for its photovoltaic products. As a result, the quality of the Group's photovoltaic products is stable and reliable, which could bring long-term and stable income to end-user owners in the economic efficiency of photovoltaic power generation.

Construction and operation of photovoltaic system business

On the basis of firmly established manufacturing business, the Group has been actively expanding the end-user power plants construction and application business which not only drives the sales of module products in a bottom-up manner, but also it will spread the profits of construction and operation of the photovoltaic system businesses, so as to bring additional revenue and improve the overall business performance of the Group. The Group's photovoltaic system business includes traditional distributed power station engineering, procurement and construction (EPC) business, electric vehicles photovoltaic charging stations, green power trading, Building Applied Photovoltaics (BAPV) business, Building Integrated Photovoltaics (BIPV) business and zero-carbon mobile building business. With (i) the PRC government's vigorous advocacy of "carbon emissions peaking", "carbon neutrality", the construction of "green buildings", "zero energy buildings", "green building standards"; and (ii) the implementation of rooftop distributed photovoltaic development program after "Opinions on Promoting Green Development of Urban and Rural Construction" issued by the State Council of the PRC, "Work Plan of Accelerating the Promotion of Energy Conservation and Carbon Emissions Reduction in the Construction Sector" jointly formulated by National Development and Reform Commission and Ministry of Housing and Urban-Rural Development, and the "Notice on the Pilot Scheme of Country-wide (City, District) Distributed Rooftop Project" published by the National Energy Administration, taking into account of the current huge construction volume and a massive amount of promising and potential distributed photovoltaic generation capacity for the development in the PRC, the Group anticipates that BIPV business would have broad development prospects, and will focus on developing two major application areas: BIPV and zero-carbon mobile buildings. BIPV will achieve business growth across several sectors such as customized BIPV crystalline silicon modules for curtain walls, green building consultancy for large-scale public projects, and EPC construction for BIPV projects.

The Group will continue to focus on the field of zero-carbon buildings. In the PRC, it will primarily target the cultural tourism market, and currently plans to develop zero-carbon resort accommodations in several scenic areas with beautiful natural environments in Jiangsu, Hubei, and Anhui provinces. Plans are also underway in Jinzhou city and Yancheng city to develop zero-carbon cultural and sports commercial district projects by integrating zero-carbon buildings with photovoltaic charging stations. Overseas markets will be the main market for zero-carbon building business, especially given its prefabricated nature and electricity self-sufficient feature, which can solve the problem of high labor costs for house construction and difficulty in grid connection in some countries. With its unique building and photovoltaic application technology, zero-carbon mobile building products have a wide market demand in cultural tourism, commerce, municipal and other sectors in various countries. The Group currently maintains a strategic presence in the Middle East, Japan, Australia, and Western Europe. We are collaborating with local agencies to co-establish showrooms and obtain regional product certifications. By leveraging local social media platforms, our zero-carbon building products are marketed directly to end customers in foreign markets, successfully driving sales.

Capitalizing on its deep technological expertise and comprehensive research and development capabilities in the photovoltaic sector, and actively promoting industry-research collaboration with various universities in the PRC, the Group had formally signed an industry-school cooperation agreement with the School of Architecture, School of Civil Engineering and Architectural Design Institute of Southeast University, and it will cooperate with Southeast University to establish a BIPV research and development line to conduct in-depth research and development in the field of zero-carbon buildings and BIPV monocrystalline silicon in Nanjing city and Yancheng city, Jiangsu province with a view to enhancing the photoelectric conversion efficiency of BIPV module and lower the production costs. Meanwhile, the collaborative industry-research base will also become the postgraduate teaching place of the School of Architecture and School of Civil Engineering of Southeast University. In addition, the Group is carrying out a series of research and development projects in cooperation with the National Housing and Residential Environment Engineering Technology Research Center for BIPV structural components and other areas. Moreover, the zero-carbon mobile building products independently developed by the Group integrate prefabricated buildings with customized photovoltaics and energy storage, enabling off-grid energy operation and self-sufficient electricity supply. These products align with the current demand in the domestic market of the PRC. The Group is taking the lead in formulating association standards for zero-carbon buildings and zero-carbon stations and determining the technical specifications for the products. The Group's developed products of BIPV modules, BIPV structural components and zero-carbon mobile buildings have obtained more than 50 patent authorizations which will enhance the Group's market competitiveness and technological strength. The Group anticipates that, with the continued expansion of its BIPV business in the building photovoltaic market and emergence of more new application scenarios, the photovoltaic system construction and application business will achieve sustainable and healthy growth in the future.

Semiconductor business

The PRC is the world's largest semiconductor application market. The Group is engaged mainly in the production and sales of 6–8 inches semiconductor grade monocrystalline silicon ingot with heavy doping (including arsenic, antimony, phosphorus and boron products which are at the leading level of the industry), 6–8 inches semiconductor grade monocrystalline silicon ingot with lightly doping and 13–16-inches semiconductor monocrystalline silicon. 13–16 inches semiconductor monocrystalline silicon products have been bulk exported to South Korea. Despite intense competition in the Chinese electronics market driving down the price of semiconductor monocrystalline silicon in 2025, the semiconductor business still achieved year-on-year profit growth. The gross profit margin also improved, primarily due to enhanced internal management, successful cost-reduction and efficiency initiatives, and significant advancements in product quality and yield. The Group expects that the semiconductor business in the PRC will maintain growth in the future and ultimately contribute profits to the Group. Over the next three years, based on the demands of the chip market, the Group will establish a comprehensive technical management system and a refined quality system to reduce costs, improve product efficiency, and achieve low-density defects and good radial resistivity uniformity in heavily doped monocrystalline silicon. The Group will focus on the development of power devices and new energy vehicles, and concentrate on the research and development of 8-inch heavily-doped arsenic monocrystalline silicon with ultra-low resistivity to meet the automotive semiconductor monocrystalline silicon requirements in new energy vehicles. It is projected that 70% of semiconductor monocrystalline silicon will be 8-inches over the next three years. Concurrently, the Group will advance the research and development of higher-end 12-inch semiconductor monocrystalline silicon with heavy doping to provide high-quality and reliable new semiconductor materials for the development of high-tech intelligent control, thereby further improving the market adaptability and competitiveness of the products in order to better meet the needs of chip market.

Operation Strategy

Through continuous breakthroughs in technological innovation and photovoltaic production technology, coupled with improved cost efficiencies, the production cost per watt of photovoltaic power generation has decreased significantly. At present, the photovoltaic applications have reached the target of grid parity in many regions, and photovoltaic power generation has become the second largest power generating source in the PRC. With the downward price momentum in the photovoltaic industry to move beyond grid parity, the increase in demand for downstream photovoltaic installation has become an inevitable trend for photovoltaic industry development. In the premises, production-related equipment also needs to be upgraded in order to be in line with technological advancement and to improve production efficiency. Accordingly, the Group has continuously upgraded and transformed its existing production capacity and facilities, and has now completed the upgrade and achieved production output.

The Group continues to deepen its core module product strategy to achieve the effective integration and utilization of existing resources and capacities. Since our photovoltaic module customers are mostly domestic state-owned enterprises in the PRC or large multinational corporations, the market position and strength of these module customers are the strongest in the overall photovoltaic industry chain. Therefore, the Group has established a direct supply relationship with large module customers through significant module production capacity, low cost and high quality advantages to enhance its market presence, which secures a more reliable module product estuary.

Operating Performance

During the year 2025, all segments across the whole photovoltaic industry in China continued to face an unprecedented severe and complex situation and underwent profound adjustments. Many key players in the industry incurred significant losses due to the supply-demand imbalances and intense market and price competitions. The Group, as one of the major manufacturers of photovoltaic modules, also recorded a decrease in revenue and an increase in loss, mainly because of the negative impact of the significant decrease in photovoltaic module prices and the margin erosion as a result of the over-capacity of photovoltaic module production in the industry and severe competition. The Group will strive to improve operational efficiency and strictly control costs in order to continuously enhance its competitiveness.

The total external shipment volume of the Group's major products, photovoltaic modules, decreased from 4,576.2 MW in 2024 to 4,511.4 MW in 2025. Due to the persistent oversupply across the entire photovoltaic industry chain, industry players engaged in fierce competition by lowering prices to gain market share. This led to a decline in the average selling prices of upstream, midstream, and downstream photovoltaic products, even falling below the sustainable production costs. Consequently, the Group's external shipment volume of its main product, photovoltaic modules, has also declined.

In response to diverse application scenarios, the Group is committed to the research and development, and sales of monocrystalline high-efficiency module products, and has successfully launched corresponding modules products. In large-scale ground power station scenarios, the Group's focus is on promoting large-format, high-power photovoltaic modules. Based on the industry's mainstream 210R and 210N cell products, the 210RN/210N 72 cell module was designed and developed by the Group to generate a maximum power of 780 watts. Concurrently, the product can be paired with a conventional frame or an anti-dust frame to meet diverse installation needs. The 183N/210R series all-black modules are carefully designed and developed for residential rooftop projects. Based on the 54-cell template, 48-cell, 36-cell, 30-cell and 16-cell special-shaped design modules have been developed, effectively increasing the number and capacity of installations in rooftop projects. For projects with limited reflected light, an anti-glare module product with a glossiness of $\leq 1.5\text{GU}$ was designed. After a series of verifications, this product effectively solves the problem of reflected light and is suitable for projects such as airports and highways. In addition, a number of products, including 2000V system voltage modules, high hail resistance modules, quick-install frame modules, heterojunction with intrinsic thin layer (HJT) cell modules, multiple products using self-developed multi-busbar and fine-busbar technologies (superior to 0BB, covering all technology routes) have been designed. Through the product diversification strategy, the Group will capture the differentiated markets and thereby expand the market sales of our products.

The Group actively promotes the application of efficiency-enhancing and cost-reducing materials, such as interstitial reflective films, laser welding lines, new aluminum alloy frames, composite material frame design (aluminum + new materials), and lightweight adhesive films. The use of these new materials effectively reduces module costs of the Group, resulting in enhanced products' competitiveness in the market.

Going forward, given that (a) the Group will be able to seize market share through further enhanced product applicability, efficiency and quality, technological cost advantages and large-size new product lines with stronger bargaining power; (b) the Group continues to maintain low-cost, high-efficiency production capacity and facility through more refined and smoother production process and operations, optimised production and logistics processes, which can further demonstrate the advantages of economies of scale and the operational synergies, such as lower procurement, logistics and production costs; (c) the long-standing diversified and accumulated technological advantages of various product lines and quality, and technological innovation to respond swiftly to market changes; (d) through proactive market positioning and flexible sales and marketing strategy to accelerate inventory turnover and strategically managing the inventory levels to maintain balance between sales and production; and (e) the strong client base in the PRC and overseas, it is expected that the decrease in the market prices of photovoltaic modules will gradually stabilise given the anti-involution measures taking effect and the new regulations explicitly prohibiting predatory pricing. In the long run, there is still considerable room for improvement in the Group's business performance.

Financial Review

Revenue

The revenue of the Group decreased by 34.5% from approximately RMB3,706.2 million for the year ended 31 December 2024 to approximately RMB2,427.5 million for the year. The decrease in revenue was primarily because the photovoltaic industry entered a phase of transformation and restructuring. Although the industry's "anti-overcapacity" measures achieved positive results and supply chain prices gradually bottomed out and rebounded, the persistent imbalance between supply and demand – driven by the inertia of prior structural overcapacity – resulted in overall weak performance of the Group. During the year, the average selling prices of major products continued to decline, leading to a decrease in photovoltaic module revenue.

Cost of sales

Cost of sales for the year has decreased from approximately RMB3,602.2 million for the year ended 31 December 2024 to approximately RMB2,383.1 million for the year. The decrease was mainly in line with the reduction in revenue driven by market price and volume adjustments.

Gross profit and gross profit margin

The Group recorded a gross profit of approximately RMB44.3 million and a gross profit margin of 1.8% for the year ended 31 December 2025, as compared to a gross profit of approximately RMB104.0 million and a gross profit margin of 2.8% in 2024, which decreased by 57.4% and 1.0 percentage points respectively. The decrease was mainly due to the decrease in the average selling price of modules and low production capacity utilization rates continuing to weigh on the Group, further compressing the gross margin of photovoltaic modules.

Selling and distribution expenses

Selling and distribution expenses mainly comprised business promotion expenses, packaging expenses and other incidental expenses. Selling and distribution expenses decreased to RMB10.6 million for the year from RMB75.2 million for the year ended 31 December 2024. The decrease was mainly due to (1) a larger reversal of warranty provision for the year due to a continuous decline in the average selling price of modules, resulting in a decrease in the estimated liability for future warranty claims, ultimately leading the Group to reverse approximately RMB51.6 million of its warranty provision for the year, compared to a reversal of RMB28.7 million in 2024; and (2) in 2024, there was a one-off marketing promotion expense amounting to RMB30.8 million, to conduct market development and promotion activities in overseas markets. No similar expenses occurred for the year.

Administrative expenses

Administrative expenses mainly comprised staff costs, research and development expenses and daily office expenses. The administrative expenses for the year amounted to approximately RMB174.1 million, as compared to approximately RMB220.0 million for the year ended 31 December 2024. The decrease was mainly because the Group enhanced its efforts in increasing operational efficiency and strictly controlling its costs to enhance its competitive advantages.

Impairment losses on receivables and contract assets

The Group recognized a significant impairment loss on receivables and contract assets during the year. An impairment loss of RMB74.5 million was recorded for the year, as compared to the reversal of impairment losses on receivables and contract assets of RMB3.5 million for the year ended 31 December 2024. This was due to lawsuits filed by the Group against several of its customers or by reference to the financial position of the debtors.

Impairment losses of non-current assets

An impairment loss of approximately RMB74.4 million for non-current assets was recorded in 2025 (2024: RMB107.9 million). Due to declines in sales volume and market prices, certain asset groups of the Group incurred operating losses. Accordingly, the Group conducted impairment assessments on certain non-current assets that showed indicators of impairment and recognized a significant amount of impairment losses on non-current assets for the year.

Finance costs

Finance costs were mainly derived from bank and other borrowings of the Group. The Group's finance costs decreased from RMB60.0 million for the year ended 31 December 2024 to RMB43.0 million for the year. The Group is aiming to gradually lower finance costs in the future and to obtain more sources of financing.

Income tax

Income tax expense amounted to approximately RMB15.4 million for the year, as compared to an income tax credit of approximately RMB5.2 million for the year ended 31 December 2024. The increase in income tax expenses was mainly due to the insufficient taxable income in near future from certain loss making subsidiaries.

Loss attributable to owners of the parent

Loss attributable to owners of the parent was approximately RMB285.3 million for the year, as compared to the loss attributable to owners of the parent of approximately RMB227.1 million for the year ended 31 December 2024. This was mainly due to the decrease in revenue and gross profit alongside the recognized impairment losses on assets of the Group.

Inventory turnover days

Due to a reduction in the external shipping volume of photovoltaic modules, the inventory turnover days of the year increased to 53 days (31 December 2024: 35 days).

Trade receivable turnover days

The sales of photovoltaic modules, including processing services, accounted for over 90% of the Group's overall sales for the year. The recovery of certain module receivables depends on the construction progress of the photovoltaic power plant. For instance, some trade receivables can only be recovered after the customer's photovoltaic power plant is connected to the grid. Therefore, the trade receivables turnover days of module business are generally longer. Trade receivables turnover days for the year increased to 211 days (31 December 2024: 193 days) due to the settlement delay by some customers and the significant changes in the gross carrying amount of trade receivables and contract assets, as disclosed in this announcement. Save as disclosed, the Group did not experience any significant credit risks due to strict credit control policies.

Trade payable turnover days

Due to continuous support from our supply chain partners, the trade payables turnover days were 205 days for the year, which remained stable compared with last year.

Liquidity and financial resources

The principal sources of working capital of the Group during the year were cash flow from operating activities. As at 31 December 2025, the current ratio (current assets divided by current liabilities) of the Group was 1.1 (31 December 2024: 1.2).

The Group had net borrowings of approximately RMB223.2 million as at 31 December 2025 (31 December 2024: RMB172.5 million), including cash and cash equivalents of RMB240.7 million (31 December 2024: RMB270.7 million), pledged deposits of RMB501.5 million (31 December 2024: RMB511.0 million), bank and other loans due within one year of RMB964.2 million (31 December 2024: RMB952.7 million) and non-current bank and other loans of RMB1.2 million (31 December 2024: RMB1.5 million). The net debt to equity ratio (net debt divided by total equity) as at 31 December 2025 was 33.0% (31 December 2024: 17.9%).

Net cash inflow from operating activities

The operating activities resulted in a net cash inflow of approximately RMB51.8 million in 2025, compared to a net cash inflow of approximately RMB180.9 million in 2024. The main reason for the net cash inflow from operating activities is that the Group has intensified its collection efforts, resulting in increased recovery amounts from trade and bills receivables.

Earnings before interest, taxes, depreciation and amortisation

During the year, the Group's earnings before interest, taxes, depreciation and amortisation ("EBITDA") were approximately RMB-100.3 million (2024: approximately RMB-11.2 million). The main reason for the decrease in EBITDA was attributable to the decrease in revenue and gross profit during the year.

Foreign currency risk

The Group is exposed to foreign currency risk primarily through sales and purchases, cash, bank deposits and bank loans that are denominated in a currency other than the functional currency, Renminbi, of the operations to which they relate. The currencies giving rise to this risk are primarily the US Dollar and Euro. The Directors do not expect any significant impact from the change in exchange rates since the Group uses trade receivables in foreign currencies received from foreign customers to settle foreign loans and trade payables in foreign currencies which naturally mitigates the exchange rate risk. In addition, the Group will consider the difference in interest rates and fluctuations in the exchange rates of foreign currency denominated and local currency-denominated loan balance, and seize opportunities to mitigate the risk through low-risk forward exchange agreements, in order to strike a balance between the exposure to the variations in interest costs and fluctuations in foreign exchange rates.

Contingent liabilities

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

Human resources

As at 31 December 2025, the Group had 1,670 employees (31 December 2024: 2,097 employees).

Business Outlook

Thanks to ongoing technological advancements and declining costs, coupled with the introduction of and the continued favourable policies by the government of various countries to lead the energy industry's transition from traditional fossil fuels to renewable energy sources, the photovoltaic power generation has become one of the key energy sources for green transformation. In recent years, affected by factors such as the market supply-demand imbalances across the value chain, companies from upper, middles and down streams in the photovoltaic industry have faced severe challenges. Especially since 2024, the unit selling price of products across various segments of the industry chain was lower than the unit cost for a long time. This situation has led to a significant decline in the financial performance of many companies in the industry chain, with many of these companies incurring substantial losses.

In response to the industry challenges, the PRC government has promoted structural adjustments in the market through targeted policies and elevated “anti-involution” to the national strategic level, aiming to boost domestic demand of the PRC as a whole and enhance the international value of “Made in China”. During the reporting period, the photovoltaic market of the PRC experienced significant policy-driven and market adjustments. During the year, the 531 New Policy and Document No. 136 were successively issued to jointly push the industry from policy dependence to market-oriented competition, and mark a new stage in the photovoltaic industry's transition from “policy-driven” to “market-driven”. At the same time, the photovoltaic industry, as a sector with more prominent homogeneous competition, has become a key industry for the implementation of “anti-involution” strategy in the PRC. On 3 July 2025, Mr. Li Lecheng, Minister of Industry and Information Technology, presided over the 15th symposium for manufacturing enterprises. The meeting aimed to start from the upstream silicon material segment, thereby laying a favorable foundation for stabilizing prices across the entire industry chain.

The photovoltaic industry is now actively overcoming market difficulties through the combined efforts of industry self-regulation and government supervision. At the industry level, most companies have reached a consensus on self-discipline, and major companies have begun to jointly alleviate supply and demand imbalances through a number of measures such as voluntary production curtailments and upstream price increases. At the government level, relevant departments are actively intervening by formulating clear laws and regulations to regulate market behavior, curb vicious competition, and ensure that the market operates in an orderly manner within a fair and equitable environment.

Moreover, with the further digestion of photovoltaic inventories in Europe and other regions since 2024, demand in major overseas photovoltaic markets is expected to have gradually recovered to a steady growth; and emerging incremental photovoltaic markets such as the Middle East and Africa are rapidly expanding, becoming a new growth point for the global photovoltaic market. As a key force in the global energy transformation, the photovoltaic industry still has huge long-term development potential, and the core elements supporting the upward development of the industry have not been changed. With continued breakthroughs in science and technology and the gradual market standardization, the industry is expected to embark on a new chapter of development.

In the face of a potential slowdown in industry growth in 2026, the Group will implement the overall strategy of “seeking progress while maintaining stability”. In the domestic market, the Group will strengthen strategic cooperation with high-credit central and state-owned enterprises, and leading clients in the distributed sector to solidify the cash flow and production capacity. For international market, the Group will implement a “product + service” model and focus on developing markets with growth potential, such as Central and Eastern Europe, Africa, and Southeast Asia. Meanwhile, the Group adheres to the “small, fast and flexible” business strategy and comprehensively strengthen the cash flow-oriented business management mechanism. All business decisions are based on the premise of cash recovery ability and risk controllability, regarding the safeguarding cash flow security as the bottom line for the Group’s survival. The Board believes that photovoltaics remains an unshakeable cornerstone of the global energy transition. Leveraging its strong customer base and financial resilience, the Group will navigate cyclical fluctuations and create long-term value for shareholders.

EVENTS AFTER REPORTING PERIOD

At the date of this announcement, there are no important events affecting the Group which have occurred since 31 December 2025.

AUDIT COMMITTEE

The Company's Audit Committee has reviewed the accounting principles and practices adopted by the Group and the Group's consolidated financial results for the year ended 31 December 2025, and has discussed and reviewed the risk management, internal control and reporting matters.

DIVIDEND

No final dividend was paid in 2025 (2024: Nil). The Directors do not recommend the payment of a final dividend for 2025 (2024: Nil).

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

During the year, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions as set out in Appendix C3 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as the code of conduct regarding securities transactions by the Directors. Specific enquiries have been made by the Company to all Directors, who have all confirmed that they have complied with the Model Code throughout the financial year ended 31 December 2025.

CORPORATE GOVERNANCE

The Company reviews and enhances its corporate governance practices continuously and is committed to a high standard of corporate governance. The Company has complied with the Corporate Governance Code set out in Appendix C1 to the Listing Rules throughout the year ended 31 December 2025.

PUBLICATION OF FINANCIAL INFORMATION

The 2025 annual report containing all the detailed information will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.solargiga.com>) in due course.

SCOPE OF WORK OF AUDITOR

The figures in respect of the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position of the Group, and the related notes thereto for the year as set out in this announcement have been agreed by our auditors, Messrs. Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year.

The work performed by the Group's auditor, Ernst & Young, in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by the Group's auditor on the preliminary results announcement.

ANNUAL GENERAL MEETING

The notice of the annual general meeting ("AGM") will be published on the Company's website and the Stock Exchange's website and sent to the Shareholders in due course after the date of the forthcoming AGM has been determined.

By Order of the Board
Solargiga Energy Holdings Limited
Tan Xin
Chairman

Hong Kong, 26 March 2026

As at the date of this announcement, the executive Directors are Mr. Tan Xin (Chairman), Mr. Wang Junze and Mr. Chen Hai; and the independent non-executive Directors are Dr. Wong Wing Kuen, Albert, Ms. Chung Wai Hang and Ms. Tan Ying.