Stock Codes: 000037, 200037
Stock Abbreviation: Shennan Power A, Shennan Power B Announcement No.: 2026-050

Shenzhen Nanshan Power Co., Ltd.

2026 Semi-Annual Report

August 25, 2026

Section I Important Notes, Table of Contents and Interpretations

The Board of Directors, directors, and senior executives of the Company guarantee the authenticity, accuracy and completeness of the contents of the semi-annual report, and bear individual and joint legal liabilities for any false records, misleading statements or major omissions.

Kong Guoliang, Principal and Person in Charge of Accounting of the Company, Zhang Xiaoyin, Chief Finance Officer of the Company, and Lin Xiaojia, Chief Accountant (accounting officer) of the Company, hereby declare that they guarantee the authenticity, accuracy, and completeness of the financial report in this Semi-annual Report.

All the Company's directors have attended the board meeting for the review of this Semi-Annual Report.

The Company plans not to distribute cash dividends, issue bonus shares, or convert capital reserve into share capital.

Any plans for the future or other forward-looking statements mentioned in this Semi-Annual Report shall not be considered as absolute promises of the Company to investors. Therefore, investors are reminded to exercise caution when making investment-related decisions.

This Semi-Annual Report is prepared in both Chinese and English. In case of any discrepancy in the understanding of the two versions, the Chinese version shall prevail. Investors are advised to read the full text of this Semi-Annual Report carefully.

Table of Contents

Documents Available for Reference

I. The original of the 2026 Semi-Annual Report with the signature of the Company's legal representative.

II. Financial statements signed and sealed by the Company's legal representative, Person in Charge of Accounting, Chief Finance Officer, and Head of Accounting (accounting officer).

III. The originals of all the Company's documents and announcements that have been publicly disclosed in the designated media during the Reporting Period.

IV. Place of reference: Office of the Board of Directors of the Company.

Interpretations

Content	Refer to	Definition
Company, the Company, Shennan Power, Listed Company	Refer to	Shenzhen Nanshan Power Co., Ltd.
Nanshan Thermal Power Station	Refer to	Nanshan Thermal Power Station of Shenzhen Nanshan Power Co., Ltd.
Shennan Power Zhongshan Company	Refer to	Shennan Power (Zhongshan) Electric Power Co., Ltd.
Shennan Power Engineering Company	Refer to	Shenzhen Shennan Power Gas Turbine Engineering Technology Co., Ltd.
Shennan Power Environmental Protection Company	Refer to	Shenzhen Shennan Power Environmental Protection Co., Ltd.
Shennan Power Xiwan Company	Refer to	Shennan Power Xiwan Energy (Zhongshan) Co., Ltd.
Energy Technology Company	Refer to	Shennan Power Energy Technology (Sichuan) Co., Ltd.
Shennan Power Zhengmai Energy Company	Refer to	Shennan Power Zhengmai Energy Technology (Shenzhen) Co., Ltd.
Smart Energy Company	Refer to	Shennan Power Shangao Smart Energy (Shenzhen) Co., Ltd.
Xiefu Company	Refer to	Shenzhen Xiefu Energy Co., Ltd.
New Power Company	Refer to	Shenzhen New Power Industrial Co., Ltd.
Yuanzhi Ruixin Information Technology Fund	Refer to	Shenzhen Yuanzhi Ruixin New Generation Information Technology Private Equity Investment Fund Partnership (Limited Partnership)
RMB, RMB 10,000, and RMB 100 million	Refer to	Except as otherwise specifically described, the monetary unit is RMB, RMB 10,000, and RMB 1,000,000,000
Reporting Period	Refer to	January 1, 2026 to June 30, 2026

Section II Company Profile and Financial Indicators

I. Company Profile

Stock Name	Shennan Power A, Shennan Power B	Stock Code	000037、200037
Stock exchange for stock listing	Shenzhen Stock Exchange		
Company name (in Chinese)	Shenzhen Nanshan Power Co., Ltd.		
Short name of the Company in Chinese (if any)	深南电		
Company name (in English, if any)	Shenzhen Nanshan Power Co., Ltd.		
Legal Representative	Kong Guoliang		

II. Contact Information

	Secretary of the Board of Directors	Securities Representative
Name	Zou Yi	Lu Yindi
Address	16th and 17th Floors, Hantang Building, OCT, Nanshan District, Shenzhen City, Guangdong Province	16th and 17th Floors, Hantang Building, OCT, Nanshan District, Shenzhen City, Guangdong Province
Tel.	0755-26003611	0755-26003611
Fax	0755-26003684	0755-26003684
E-mail	investor@nspower.com.cn	investor@nspower.com.cn

III. Other Information

1. Contact Information of the Company

Whether the registered address, office address and postal code, website, and email of the Company changed during the Reporting Period

□ Applicable ☑ Not applicable

The registered address, office address and postal code, website, and email of the Company remained unchanged during the Reporting Period. For details, please refer to the 2025 Annual Report.

2. Information Disclosure and Place where this Report is Lodged

Whether the media for information disclosure and the place where this Report is lodged changed during the Reporting Period

□ Applicable ☑ Not applicable

The name and website of the stock exchange and media where the Company discloses its semi-annual report, and the place where the semi-annual report is lodged remained unchanged during the Reporting Period. For details, please refer to the 2025 Annual Report.

3. Other Related Information

Whether other related information changed during the Reporting Period

□ Applicable ☑ Not applicable

IV. Key Accounting Information and Financial Indicators

Whether the Company needs to retrospectively adjust or restate the accounting data of previous years

□ Yes ☑ No

	The Reporting Period	Same period last year	Year-on-year change for the Reporting Period
Operating revenue (RMB)	201,808,302.33	166,389,954.25	21.29%
Net profit attributable to the listed company's shareholders (RMB)	19,833,302.46	-21,739,509.64	191.23%
Net profit attributable to the listed company's shareholders before non-recurring gains and losses (RMB)	8,654,845.29	-28,327,017.35	130.55%
Net cash generated from/used in operating activities (RMB)	-113,682,778.37	-62,253,765.51	-82.61%
Basic earnings per share (RMB/share)	0.0329	-0.0361	191.14%
Diluted earnings per share (RMB/share)	0.0329	-0.0361	191.14%
Weighted average return on equity	1.18%	-1.47%	Increased by 2.65 percentage points
	End of the Reporting Period	End of the previous year	Changes from the end of the previous year to the end of the Reporting Period
Total assets (RMB)	2,298,027,445.24	2,313,750,813.45	-0.68%
Net assets attributable to the listed company's shareholders (RMB)	1,678,234,206.99	1,677,559,728.27	0.04%

V. Differences in Accounting Data under Domestic and Foreign Accounting Standards

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

□ Applicable ☑ Not applicable

During the Reporting Period, there were no differences in net profit and net assets in the financial reports disclosed by the Company in accordance with both international accounting standards and Chinese accounting standards.

2. Differences in net profit and net assets in financial reports disclosed in accordance with foreign accounting standards and Chinese accounting standards

□ Applicable ☑ Not applicable

During the Reporting Period, there were no differences in net profit and net assets in the financial reports disclosed by the Company in accordance with both overseas accounting standards and Chinese accounting standards.

VI. Items and Amounts of Non-recurring Gains/Losses

☑Applicable □Not applicable

Unit: RMB

Item	Amount	Description
Profit or losses on disposal of non-current assets (including the portion offset for provisions for asset impairment)	365,503.54	This was mainly caused by the asset disposal gains/losses from the disposal of non-current assets.
Government grants included in profit and loss of the current period (except for government subsidies that are closely related to the Company's normal business operation, comply with national policies and are enjoyed in accordance with defined criteria, and have a continuing impact on the Company's profit or loss)	17,099.11	This was mainly because the Company received government grants related to income during the Reporting Period.
Gains/losses on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that arise in the Company's ordinary course of business)	10,814,446.43	This was mainly attributed to the investment income obtained from holding structured deposits in commercial banks and monetary funds, as well as the income from changes in fair value generated during the holding period of financial assets held for trading.
Non-operating revenue and expenses other than the above	263,644.06	This was mainly caused by the recovery of historical legacy funds during the current period.
Less: Income tax effects	51,938.99	
Minority equity effects (after tax)	230,296.98	
Total	11,178,457.17	

Particulars about other gains/losses that meet the definition of non-recurring gains/losses:

□ Applicable ☑ Not applicable

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

Explanation on the definition of non-recurring profit and loss items as recurrent profit and loss items in the Explanatory Announcement No. 1 on Information Disclosure of Companies Publicly Issuing Securities - Non-recurring Gains/Losses

□ Applicable ☑ Not applicable

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

Section III Discussion and Analysis of the Management

I. Principal Activities of the Company during the Reporting Period

In the first half of 2026, the cumulative total electricity consumption of the society totaled 5.0999 trillion kWh, a year-on-year increase of 5.3%. In terms of electricity consumption by industry, the electricity consumption of the primary industry was 71.1 billion kWh, a year-on-year increase of 4.9%. The electricity consumption of the secondary industry was 3.3057 trillion kWh, a year-on-year increase of 5.1%, among which the industrial electricity consumption was 3.2760 trillion kWh, a year-on-year increase of 5.3%, and the electricity consumption of the high-tech and equipment manufacturing industry was 600.8 billion kWh, a year-on-year increase of 9.8%. The electricity consumption of the tertiary industry was 991.6 billion kWh, a year-on-year increase of 8.0%, among which the electricity consumption of the charging and swapping service industry and the Internet data service industry was 81.0 billion kWh and 49.4 billion kWh respectively, with growth rates of 56.9% and 44.0% respectively. The electricity consumption of urban and rural residents was 731.5 billion kWh, a year-on-year increase of 3.1%.

The main businesses of the Company cover electricity generation and sales, as well as comprehensive energy services. By the end of the Reporting Period, the Nanshan Thermal Power Station had 3 sets of 9E gas-steam combined cycle power generation units with a total installed capacity of 540MW. The power station is located in the power load center of Shenzhen and serves as a peak-shaving power source in the region. During the Reporting Period, Nanshan Thermal Power Station actively fulfilled its responsibility for stable power supply, strictly maintained safety standards, scientifically coordinated gas and electricity matching, dynamically adjusted electricity marketing and fuel procurement strategies, completed an on-grid power generation of 119 million kWh, purchased a total of 83 million kWh as an agent, and achieved a medium and long-term contract power of 176 million kWh. Its subsidiary Shennandian Environmental Protection Company fully expanded its electricity sales business and acted as an agent for a total of 27.19 million kWh for users. The cumulative charging and discharging capacities of the Zhongshan Independent Energy Storage Station (Phase I) project of Shennandian Xiwan Company were 50.67 million kWh and 45.39 million kWh respectively, and the cumulative mileage of participation in frequency regulation was 2,215,830MW.

In the first half of 2026, focusing on the annual targets, the Company systematically promoted the market expansion, project construction, and industrial landscape of its affiliates, actively expanded comprehensive energy service businesses such as new energy and energy storage, continuously improved the integrated industrial chain of "investment, construction, operation, management, and maintenance", and steadily enhanced the business synergy and value creation ability of the entire comprehensive energy service chain. In terms of project construction and operation, Shennandian Xiwan Company continued to optimize the operation efficiency of the Zhongshan Independent Energy Storage Station (Phase I) project, and accumulated full-cycle management experience in energy storage projects, while efficiently promoting the construction preparation of the Zhongshan Independent Energy Storage Station (Phases II and III) project, continuously expanding the Company's energy storage industry layout. In terms of engineering and technical services, Shennandian Engineering Company gave full play to its technological and resource accumulation advantages in the field of gas turbine power plant engineering, and orderly implemented the relevant work of the operation and maintenance service project for the 2×450MW gas combined cycle power station in Koh Kong Province, Cambodia. In terms of industrial investment layout, the Company jointly established Shennandian Shangao Smart Energy (Shenzhen) Co., Ltd. with Shandong Hi-Speed (Shenzhen) Investment Co., Ltd. as the core cooperation platform for both parties to conduct investment, operation, and management in the fields of new energy and energy storage industries. Through the establishment of a specialized industrial cooperation platform, industrial synergy and linkage were deepened, project development channels were broadened, and the industrial chain layout was improved, empowering and advancing the momentum for the subsequent development of new energy and energy storage businesses.

During the Reporting Period, the Company realized an operating income of RMB 201,808,300, a net profit attributable to shareholders of the listed company of RMB 19,833,300, and earnings per share of RMB 0.0329.

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

II. Core Competitiveness Analysis

In recent years, affected by the macroeconomic conditions and common problems in the gas turbine electricity generation industry, the main business of the Company - electricity generation has been in face of difficulties and challenges. However, the basic core competitiveness formed through more than 30 years of operation and development, the strong support of the Company's major shareholders, and the operation and management innovation adopted by the Company's Board of Directors and Management have laid a solid foundation for the Company's continuous operation and transformation and development. During the Reporting Period, the Company adhered to a prudent development philosophy, firmed up its strategic belief, flexibly adjusted its operating strategies, carefully optimized resource allocation, successfully overcame a series of development difficulties, and further consolidated and enhanced the Company's core competitiveness.

1. Hard-working and innovative management culture. The Company has a group of operation and management talents with innovative awareness and fighting spirit. By deepening human resource reform and building a performance-oriented performance appraisal and incentive mechanism, the Company advocates and creates a management culture of unity, struggle, innovation, and progress. Meanwhile, the Company vigorously promotes the construction of institutional system, management system, and compliance system, adheres to standard management in accordance with laws and regulations, scientific rigor, and high efficiency and orderliness, which lays a good foundation to deeply explore internal potential and actively seek external opportunities through process-oriented, refined, and standardized management orientation.

2. Professional and enterprising technical talents. The Company has been deeply engaged in the gas electricity generation industry for over 30 years. Relying on its industry influence, it has gathered and cultivated a group of professional technical experts and key talents, and holds rich practical experience in the construction and operation management of gas-fired power plants. In order to adapt to the market-oriented reform of the power market in Guangdong Province, the Company has set up a professional power marketing team, continuously optimized trading strategies and marketing models, and has mature market-oriented operation capabilities of the electricity market. In addition, thanks to its strong technical strength, Shennan Power Engineering Company provides comprehensive professional services such as technical consultation, commissioning, and operation guarantee for dozens of gas-fired power stations at home and abroad; the Company has successively undertaken the technical personnel training business of dozens of domestic and overseas power plants. Backed up by high-quality training and a professional teaching team, the Company built a well-known professional talent training base in the domestic gas turbine industry and established a good reputation and a professional brand image in the industry.

3. Cutting-edge professionalism and techniques. In recent years, the Company, driven by the philosophy of innovation-driven development, has been steadily promoting technological innovation. Based on the self-owned independent invention patents, utility model patents, and software copyrights, the Company jointly drafted and prepared one national standard, offering strong support for the Company's high-quality development. During the Reporting Period, the Company declared a total of two invention patents, six utility model patents, and one software copyright to the China National Intellectual Property Administration, and five utility model patents and one software copyright were authorized.

The total number of authorized patents of the Company reached 51 (including 5 invention patents) and 14 software copyrights, which greatly enhanced the Company's brand image and industry competitiveness.

4. Abundant experience in industrial exploration. The Company gives full play to its own advantages and exerts every effort to develop comprehensive energy service business, while fostering experience in the construction and operation of the new energy and energy storage industries. Based on the construction and operation of projects such as energy storage black start, photovoltaics, and MTC industrial and commercial energy storage, the construction and commissioning of Zhongshan independent energy storage power station, and the implementation of integrated solar-storage-charging projects, combined with the continuous expansion of off-site and overseas power station operation and maintenance businesses in Qinghai, Hainan, Cambodia, etc., the Company has accumulated rich practical experience in the construction, commissioning, and operation and maintenance of new energy and energy storage projects, and cultivated a group of professional technical talents. Superimposing the talent reserves and technical advantages of the traditional power industry, the Company has reserved sufficient technical and talent resources for the Company to deeply engage in the comprehensive energy service field, laying a solid foundation.

5. Leading environmental protection effects. The Company's generator sets are all gas generator sets, with natural gas as fuel. The CO_2 emission in the flue gas is about 42% of that of coal-fired power plants, providing strong support for the national "dual carbon" goals. The nitrogen oxide emissions of each of the Company's units are all within 15mg/m^3, reaching the world's most advanced level.

III. Main Business Analysis

Overview

Please refer to the relevant content in "I. Main Businesses of the Company during the Reporting Period".

Year-on-year changes in key financial data

Unit: RMB

	The Reporting Period	Same period last year	YoY change (%)	Reason for changes
Operating revenue	201,808,302.33	166,389,954.25	21.29%	This was mainly due to the Company's continued promotion of the strategic layout of comprehensive energy services, and the independent energy storage project of Shennan Energy Xiwan Company was put into commercial operation and became profitable, boosting the increase of income from the comprehensive energy service segment.
Cost of sales	137,515,768.78	162,096,776.61	-15.16%	
Selling expense	2,344,744.33	1,048,176.93	123.70%	This was mainly owing to the expansion of comprehensive energy service business in the current period, resulting in a year-on-year increase in selling expenses.
Administrative expense	33,344,820.84	34,186,284.20	-2.46%	
Finance costs	5,232,946.26	1,412,373.17	270.51%	This was mainly because the independent energy storage project of Shennan Energy Xiwan Company was completed and put into operation. The

				interest of specific fixed asset loans related to the project was recognized as an expense instead of being capitalized, resulting in a year-on-year increase in interest expenses. Affected by the declining market interest rates, interest income decreased.
Income tax expense	5,148,197.51	53,667.86	9,492.70%	This was mainly because the independent energy storage project of Shennan Energy Xiwan Company became profitable, resulting in an increase in corresponding income tax expenses.
R&D Investment	7,700,122.14	8,552,435.26	-9.97%	
Net cash generated from/used in operating activities	-113,682,778.37	-62,253,765.51	-82.61%	This was mainly resulted from the rapid growth of the comprehensive energy service business. The performance guarantee margin paid in the current period was approximately RMB 120 million, resulting in a year-on-year increase in operating cash outflows and a year-on-year decrease in net cash flows from operating activities.
Net cash generated from/used in investing activities	128,083,077.50	-222,110,234.68	157.67%	First, the existing monetary funds deposited in commercial banks as structured deposits decreased in the current period, and the cash outflows from investing activities decreased accordingly; second, the equipment procurement and engineering payment for the construction of Phase I of the Company's Zhongshan independent energy storage project occurred intensively in the same period of last year. The cash outflows of the project in the current period decreased year-on-year, affecting the year-on-year increase in net cash flows from investing activities.
Net cash generated from/used in financing activities	-32,885,993.28	-82,535,939.48	60.16%	This was mainly due to the Company's optimization of its asset-liability structure, reduction of its financing scale, and decrease of cash paid for debt repayment year-on-year, resulting in a year-on-year increase in net cash flows from financing activities.
Net increase in cash and cash equivalents	-18,608,519.10	-366,926,252.82	94.93%	This was mainly resulted from the increase of the net cash flows from investing activities year-on-year, which caused the net increase in cash and cash equivalents to increase accordingly.

Material changes in the composition or sources of the Company's profits during the Reporting Period

□ Applicable ☑ Not applicable

No material change was found in the composition or sources of the Company's profits during the Reporting Period.

Composition of operating income

Unit: RMB

	The Reporting Period		Same period last year		YoY change (%)
	Amount	As % of operating revenue	Amount	As % of operating revenue	
Total operating revenue	201,808,302.33	100%	166,389,954.25	100%	21.29%
By industry					
Electricity	200,425,269.14	99.31%	162,292,199.47	97.54%	23.50%
Others	1,383,033.19	0.69%	4,097,754.78	2.46%	-66.25%
Total	201,808,302.33	100.00%	166,389,954.25	100.00%	21.29%
By product					
Electricity generation and sales	140,852,547.67	69.79%	145,150,536.76	87.24%	-2.96%
Comprehensive energy services	68,683,447.91	34.03%	27,098,360.08	16.29%	153.46%
Others	1,383,033.19	0.69%	4,333,656.63	2.60%	-68.09%
Offset upon consolidation	-9,110,726.44	-4.51%	-10,192,599.22	-6.13%	10.61%
Total	201,808,302.33	100.00%	166,389,954.25	100.00%	21.29%
By region (based on customer location)					
Domestic	199,486,835.48	98.85%	166,389,954.25	100.00%	19.89%
Overseas	2,321,466.85	1.15%			100.00%
Total	201,808,302.33	100.00%	166,389,954.25	100.00%	21.29%

Industries, products, or regions that account for over 10% of the Company's operating income or operating profit

☑Applicable □Not applicable

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue	YoY change in cost of sales	YoY change in gross profit margin
By industry						
Electricity	200,425,269.14	137,223,915.86	31.53%	23.50%	-14.15%	30.02%
Others	1,383,033.19	291,852.92	78.90%	-66.25%	-87.06%	33.93%
Total	201,808,302.33	137,515,768.78	31.86%	21.29%	-15.16%	29.28%
By product						
Electricity generation and sales	140,852,547.67	111,003,693.03	21.19%	-2.96%	-24.60%	22.62%
Comprehensive energy services	68,683,447.91	35,292,417.16	48.62%	153.46%	66.81%	26.70%
Others	1,383,033.19	291,852.92	78.90%	-68.09%	-87.60%	33.21%
Offset upon consolidation	-9,110,726.44	-9,072,194.33		10.61%	-5.03%	
Total	201,808,302.33	137,515,768.78	31.86%	21.29%	-15.16%	29.28%
By region (based on customer location)						
Domestic	199,486,835.48	136,700,079.55	31.47%	19.89%	-15.67%	28.89%
Overseas	2,321,466.85	815,689.23	64.86%	100.00%	100.00%	64.86%
Total	201,808,302.33	137,515,768.78	31.86%	21.29%	-15.16%	29.28%

The Company's main business data for the last period adjusted according to the data at the end of the Reporting Period after the statistics of the Company's principal business data was adjusted during the Reporting Period

□ Applicable ☑ Not applicable

IV. Analysis of Non-Core Businesses

☑Applicable □Not applicable

Unit: RMB

	Amount	As % of total profit	Reason	Sustainable or not
Investment income	17,140,509.64	51.08%	This was mainly caused by the investment income obtained from holding transferable certificates of deposits, structured deposits, and monetary funds, as well as the investment income recognized by the Company by the equity method.	The investment income recognized by the Company under the equity method is sustainable.
Gains/losses on changes in fair value	643,644.40	1.92%	This was mainly resulted from the increase in income from changes in fair value generated from financial assets held for trading by the Company during the current period.	No
Credit impairment loss	-2,159,157.71	-6.43%	This was mainly due to the expected credit losses based on the aging portfolio according to the actual collection of accounts receivable, and corresponding bad debt provisions that have been made.	No
Gains from disposal of assets	365,503.54	1.09%	This was mainly caused by the asset disposal gains/losses from the disposal of non-current assets.	No
Non-operating revenue	263,914.26	0.79%	This was mainly caused by the recovery of historical legacy funds during the current period.	No
Non-operating expense	270.20	0.00%		No

V. Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

	End of the Reporting Period		End of the previous year		Change in percentage (%)	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary assets	246,996,378.28	10.75%	141,590,339.04	6.12%	4.63%	This was mainly because the Company continued to expand its comprehensive energy

						service business, and the deposits for performance guarantees increased in the current period.
Trading financial assets	213,244,098.04	9.28%	341,000,000.00	14.74%	-5.46%	This was mainly because the stock monetary funds deposited in commercial banks as structured deposits gradually matured and were redeemed during the current period, resulting in a decrease in financial assets held for trading.
Notes receivable	400,000.00	0.02%	0.00	0.00%	0.02%	
Accounts receivable	109,320,305.12	4.76%	109,831,397.29	4.75%	0.01%	
Prepayments	27,031,243.97	1.18%	11,052,982.80	0.48%	0.70%	
Other receivables	362,387,516.84	15.77%	361,729,062.93	15.63%	0.14%	
Inventories	38,810,872.76	1.69%	37,972,909.48	1.64%	0.05%	
Contract assets	7,209,277.31	0.31%	21,441,671.72	0.93%	-0.62%	This was mainly because the settlement of progress payments for comprehensive energy service projects was completed in the current period, resulting in a corresponding decrease in contract assets.
Other current assets	302,711,134.68	13.17%	266,262,387.12	11.51%	1.66%	This was mainly due to the increase in transferable certificates of deposit deposited by the Company in the current period, which led to an increase in other current assets.
Long-term equity investments	166,565,065.15	7.25%	196,827,515.83	8.51%	-1.26%	This was mainly because the Company exited from some of its external equity investment projects in the current period, resulting in a corresponding decrease in the carrying amount of long-term equity investments.
Other equity instrument investments	234,179,057.20	10.19%	234,179,057.20	10.12%	0.07%	
Investment properties	1,248,174.70	0.05%	1,331,453.08	0.06%	-0.01%	
Fixed assets	530,531,149.52	23.09%	544,902,436.89	23.55%	-0.46%	
Construction in progress	3,283,591.43	0.14%	3,113,338.75	0.13%	0.01%	
Right-of-use assets	36,824,287.82	1.60%	28,785,337.19	1.24%	0.36%	

Intangible assets	1,860,921.06	0.08%	2,041,770.36	0.09%	-0.01%	
Long-term deferred expenses	5,673,825.94	0.25%	6,567,159.05	0.28%	-0.03%	
Deferred tax assets	4,263,047.69	0.19%	4,264,858.88	0.18%	0.01%	
Other non-current assets	5,487,497.73	0.24%	857,135.84	0.04%	0.20%	
Short-term borrowings	172,102,811.10	7.49%	172,094,604.45	7.44%	0.05%	
Accounts payable	27,353,787.90	1.19%	42,661,594.09	1.84%	-0.65%	
Contract liabilities	5,185,301.61	0.23%	130,796.46	0.01%	0.22%	
Employee benefits payable	5,024,073.81	0.22%	24,759,553.78	1.07%	-0.85%	This was mainly due to the payment of the previous year's annual performance-based remuneration in the current period, resulting in a decrease in employee benefits payable.
Taxes payable	11,348,667.34	0.49%	8,531,798.19	0.37%	0.12%	
Other payables	27,224,007.81	1.18%	33,323,386.05	1.44%	-0.26%	
Non-current liabilities maturing within one year	10,135,541.28	0.44%	7,340,810.74	0.32%	0.12%	
Other current liabilities	896,949.44	0.04%	2,425,298.89	0.10%	-0.06%	
Long-term borrowings	165,631,166.72	7.21%	168,421,492.31	7.28%	-0.07%	
Lease liabilities	32,461,101.64	1.41%	24,668,020.16	1.07%	0.34%	
Estimated liabilities	364,945.00	0.02%	364,945.00	0.02%	0.00%	
Deferred income	38,740,507.31	1.69%	41,913,447.41	1.81%	-0.12%	
Deferred tax liabilities	14,977,656.19	0.65%	9,846,034.15	0.43%	0.22%	

2. Main overseas assets

□ Applicable ☑ Not applicable

3. Assets and Liabilities at Fair Value

☑Applicable □Not applicable

Unit: RMB

Item	Beginning	Gain/loss	Cumula	Impair	Purchased in	Sold in the	Other	Ending

	amount	on fair-value changes in the Reporting Period	tive fair-value changes charged to equity	ment allowance for the current period	the current period	current period	changes	amount
Financial assets								
1. Trading financial assets (excluding derivative financial assets)	341,000,000.00	643,644.40			919,768,587.91	1,048,168,134.27		213,244,098.04
2. Derivative financial assets								
3. Investments in other debt obligations								
4. Investments in other equity instruments	234,179,057.20							234,179,057.20
5. Other non-current financial assets								
Subtotal of financial assets	575,179,057.20	643,644.40			919,768,587.91	1,048,168,134.27		447,423,155.24
Investment properties								
Productive biological assets								
Others								
Total of the above	575,179,057.20	643,644.40			919,768,587.91	1,048,168,134.27		447,423,155.24
Financial liabilities								

Other changes

Not applicable

Whether there is any significant change to the measurement attributes of the major assets in the Reporting Period

□ Yes ☑ No

4. Restricted Asset Rights at the End of the Reporting Period

Item	Closing balance (RMB)	Opening balance (RMB)
Guarantee deposits, etc.	127,729,947.70	8,334,730.76
Co-managed account funds	4,619,341.40	
Total	132,349,289.10	8,334,730.76

VI. Investments Analysis

1. Overview

☑Applicable □Not applicable

Investment amount in the Reporting Period (RMB)	Investment amount of the same period of last year (RMB)	Change (%)
0.00	1,950,000.00	-100%

2. Major equity investments made in the Reporting Period

☑Applicable □Not applicable

Unit: RMB

Name of investee	Main business	Investment method	Investment amount	Shareholding percentage	Source of funds	Partner	Investment term	Product type	Progress as of the balance sheet date	Estimated returns	Profit or loss from investment in the current period	Whether involved in litigation	Disclosure date (if any)	Disclosure index (if any)
Shennan Power Zhengmai Energy Technology (Shenzhen)	Energy storage	Newly established	6,120,000.00	51.00%	Self-funded	Shenzhen Zhengmai Energy Co., Ltd.	Long-term	Limited liability company	Industrial and commercial registration completed on May 22,			No	July 02, 2026	Announcement No.: 2026-041

Co., Ltd.									2026					
Shennan Power Shangao Smart Energy (Shenzhen) Co., Ltd.	New energy and energy storage	Newly established	102,000,000.00	51.00%	Self-funded	Shandong Hi-Speed (Shenzhen) Investment Co., Ltd.	Long-term	Limited liability company	Industrial and commercial registration completed on July 21, 2026			No	July 2, 2026, July 24, 2026	Announcement No.: 2026-041, 2026-044
Total	--	--	108,120,000.00	--	--	--	--	--	--			--	--	--

3. Major non-equity investments ongoing in the Reporting Period

☑Applicable □Not applicable

Unit: RMB

Project	Investment method	Fixed assets investment or not	Industry involved	Amount invested in the Reporting Period	Accumulative actual input amount by the end of the Reporting Period	Source of funds	Project progress	Estimated returns	Cumulative realized returns by the end of the Reporting Period	Reasons for failure to achieve the planned progress and estimated returns	Disclosure date (if any)	Disclosure index (if any)
Zhongshan Cuiheng New Area 300MW/600MWh independent energy storag	Self-build	Yes	Independent energy storage	1,746,311.92	2,213,591.43	Self-funded and bank-financed	0.56%		0.00	Not applicable	April 7, 2026	Announcement No.: 2026-016

e power station (Phases II and III)												
Total	--	--	--	1,746,311.92	2,213,591.43	--	--			--	--	--

4. Financial Investments

(1) Securities Investments

□ Applicable ☑ Not applicable
The Company had no securities investment during the reporting period.

(2) Investments in Derivatives

□ Applicable ☑ Not applicable
The Company had no investments in derivatives during the Reporting Period.

5. Use of raised funds

□ Applicable ☑ Not applicable
The Company had no use of funds raised during the reporting period.

VII. Sale of Major Assets and Equity Interests

1. Sale of major assets

□ Applicable ☑ Not applicable
The Company did not sell any major assets during the Reporting Period.

2. Sale of major equity

□ Applicable ☑ Not applicable

VIII. Major Controlling and Joint-stock Companies

☑Applicable □Not applicable
Major subsidiaries and joint-stock companies with an over 10% effect on the Company’s net profit

Unit: RMB10,000

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Shenzhen New Power Industrial Co., Ltd.	Subsidiary	Technology development of waste heat	11,385	36,836.61	35,883.80	0.00	733.43	733.43

		utilization (excluding restricted projects); waste heat power generation; gas turbine power generation; investment activities with self-owned funds.						
Shenzhen Shennan Power Gas Turbine Engineering Technology Co., Ltd.	Subsidiary	Engineering technical consulting services for the construction of gas-steam combined cycle power plants (stations), and maintenance and overhaul of operating equipment for gas-steam combined cycle power plants (stations); engineering management services, engineering technical services, power generation technical services, solar power generation technical services, energy storage technical services, electrical equipment repair, general equipment repair, etc.	15,000	10,990.80	6,517.59	2,464.94	-359.99	-361.15
Shennan Power (Zhongshan) Electric Power Co., Ltd.	Subsidiary	Gas turbine power generation, waste heat power generation, power supply	74,680	67,798.77	-7,800.89	3,891.02	1,703.56	1,190.22

		and heat supply (excluding heating pipe network), and leasing of terminals, oil depots (excluding refined oil, hazardous chemicals, and flammable and explosive items) and power equipment and facilities; land use right leasing; non-residential real estate leasing.						

Note: The net profit of the subsidiary Shennan Power Zhongshan Company is mainly derived from the business operations of the independent energy storage project of its subsidiary Shennan Power Xiwan Company.

Subsidiaries obtained or disposed of in the Reporting Period

☑Applicable □Not applicable

Company name	Method of obtaining and disposing of subsidiaries during the Reporting Period	Effects on overall operation and business performance
Shennan Power Zhengmai Energy Technology (Shenzhen) Co., Ltd.	Newly established	Under the premise of ensuring the Company's daily operations and capital safety, using self-owned funds to establish a controlling subsidiary will not have an impact on the Company's daily capital turnover and normal development of production and operation. The company completed its industrial and commercial registration on May 22, 2026, and has been stated as the scope of the Company's consolidated financial statements since that date.
Shennan Power Shangao Smart Energy (Shenzhen) Co., Ltd.	Newly established	Shennan Power Shangao Smart Energy (Shenzhen) Co., Ltd. will serve as the core cooperation platform for the Company and Shandong Hi-Speed (Shenzhen) Investment Co., Ltd. to carry out investment, operation, and management in the new energy and energy storage industry fields. This will help enhance the Company's market competitiveness and promote its transformational development. Under the premise of ensuring the Company's daily operations and capital safety, using self-owned funds to establish a controlling subsidiary will not have an impact on the Company's daily capital turnover and normal development of production and operation. The company completed its industrial and commercial registration on July 21, 2026, and has been stated as the scope of the Company's

		consolidated financial statements since that date.

About the major controlling and joint-stock companies

Not applicable

IX. Structured Entities Controlled by the Company

□ Applicable ☑ Not applicable

X. Risks and Countermeasures

1. Main businesses: Since 2026, affected by multiple factors, the power plants under the Company been facing tremendous pressure from high fuel costs and outdated unit energy efficiency. The 9E units became profitable under the competitive pressure from more efficient and lower-cost units. The Company will continue to strengthen the operation and management of existing assets, actively respond to the requirements and changes of the power market, and make every effort to improve the profitability and overall operating efficiency of main businesses. With Zhongshan Independent Energy Storage Project as a starting point, the Company will coordinately promote comprehensive energy services and traditional power generation businesses, actively explore diversified business models, and create better conditions for the sustainable operation and healthy development of the Company.

2. Safety management: With the increasing diversity the Company's businesses, safety risks are intertwined and superimposed. The Company will continue to strengthen the overall planning and coordination of safety management, combine the risk characteristics and work requirements of each business segment, focus on prominent problems and difficulties, efficiently analyze the root causes, and formulate practical solutions to ensure that safety management conforms to business development needs and effectively prevents various safety risks. In response to the aging of power generation equipment, the Company will scientifically prepare maintenance and technological transformation plans, and apply supporting funds and technical resources to continuously improve the maintenance and governance level of equipment. Facing new risks brought by new equipment and new technologies in the process of transformation, the Company will strengthen safety technical training, improve control measures, reinforce the accountability of production safety, and ensure the safe and stable operation of production facilities. Meanwhile, the Company will further strengthen training and emergency capability building to ensure that the "five in-places" of production safety responsibilities, management, input, training, and emergency rescue are achieved, avoid any safety accidents due to human factors within the Company's system, and continue to play the supporting role of a peak-shaving power source.

3. Fuel procurement: In 2026, the natural gas procurement price was mainly affected by the impacts of fluctuations in the international fuel market and the pricing strategies of existing suppliers. In the first half of 2026, affected by geopolitical conflicts in the Middle East, the maritime passage through the Strait of Hormuz was blocked, and the natural gas procurement presented a severe "tight volume and high price". In addition, the Company's relatively single gas source structure has adversely affected the stability of gas supply, the flexibility of gas volume coordination, and the economy of gas prices. With the improvement of trading rules in the electricity spot market, the increase in capacity pricing, and the successive commissioning of power sources in areas surrounding Shenzhen, higher requirements have been placed on the stability and flexibility of natural gas supply for electricity production. In face of the aforesaid conditions, the Company will continue to optimize upstream cooperation relationships, coordinate all parties concerned to ensure the gas supply given the single gas source, and try its best to reduce natural gas procurement costs while ensuring the gas demand for electricity production.

4. Nanshan Thermal Power Station: In March 2026, the Company again learned from the official website of the Shenzhen Municipal Planning and Natural Resources Bureau about the *Notice of the Municipal Planning and Natural*

Resources Bureau on Issuing the Shenzhen 2026 Annual Land Preparation Plan (hereinafter referred to as the *Land Preparation Plan*). According to the *Land Preparation Plan* and appendixes thereof, the land reserve and related contents of the Nanshan Thermal Power Station affiliated with the Company are still within the Shenzhen 2026 Annual Land Preparation Plan, with no material change from the contents stated in the land preparation plans disclosed in recent years. The Company will continue to contact relevant authorities to get a clear picture, conduct in-depth discussions with legal counsel, keep monitoring and timely report our opinions and demands to relevant government departments, and safeguard the legitimate rights and interests of the listed company and all shareholders.

XI. Formulation and Implementation of Market Capitalization Management System and Valuation Enhancement Plan

Whether the Company has formulated a market capitalization management system

□ Yes ☑ No

Whether the Company has disclosed its valuation enhancement plan.

□ Yes ☑ No

XII. The implementation of the action plan of "Double improvement of quality and return".

Whether the Company has disclosed an announcement on "Quality and Return Dual Enhancement" Action Plan.

□ Yes ☑ No

Section IV Corporate Governance, Environment, and Society

I. Changes of Directors and Senior Executives of the Company

☑Applicable □Not applicable

Name	Position(s)	Type	Date	Reason
Lin Yongzheng	Deputy General Manager	Employment	February 2, 2026	
Du Wei	Independent Director	Resignation upon expiration of term	February 27, 2026	Personal reasons
Lin Yongzheng	Director	Elected	February 27, 2026	
Chen Yongchong	Independent Director	Elected	February 27, 2026	
Huang Qing	Director	Former	May 13, 2026	Job adjustment
Gao Xi	Director	Elected	May 13, 2026	

II. Profit Distribution and Conversion of Capital Reserve into Share Capital during the Reporting Period

□ Applicable ☑ Not applicable

The Company plans not to distribute cash dividends, issue bonus shares, or convert capital reserve into share capital for half of the year.

III. Implementation of the Company's Equity Incentive Plan, Employee Stock Ownership Plan (ESOP) or Other Employee Incentives

□ Applicable ☑ Not applicable

None.

IV. Environmental Information Disclosure

Whether the listed company and its major subsidiaries are included in the list of enterprises required to disclose environmental information by law

☑Yes □No

Number of enterprises on the list of enterprises required to disclose environmental information by law		1
No.	Name of enterprise	Search index for the Environmental Information Disclosure Report
1	Nanshan Thermal Power Station of Shenzhen Nanshan Power Co., Ltd.	Legal Disclosure System of Enterprise Environmental Information of Department of Ecology and Environment of Guangdong Province https://www-app.gdeei.cn/gdeepub/front/dal/report/list

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

Name of the Company or Subsidiary	Type of major pollutants	Name of major pollutants	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration/intensity	Discharge standards implemented	Total discharge	Approved total discharge	Excessive discharge

Shenzhen Nanshan Power Co., Ltd.	Nitrogen oxides	Nitrogen oxides	Centralized emission from boiler chimneys	3	Within the Nanshan Thermal Power Station	＜15 mg/m³	Subject to the "Shenzhen Blue" emission standard (＜15mg/m³)	17.03 Tons	686.25 tons	None

Information on environmental accidents of the listed company

None

V. Social Responsibilities

In the first half of 2026, regardless of the challenges in production, operation, and management, the Company bravely assumed social responsibilities through stabilizing power supply in face of unit aging, efficiency decline, and high costs, to the best of its ability. In terms of production safety, the Company persistently tried its best to ensure safe and stable power production, actively explored the establishment of a production safety management model adapted to transformation, optimized and improved the internal production safety management system and mechanism, successfully carried out various tasks of production safety, technical supervision, and innovation management, and achieved the "five-zero" goal of production safety. In terms of environmental protection, the Company strictly observed national and local environmental protection laws and regulations, consistently adhered to the development concept of clean power generation, effectively implemented all environmental protection work, met environmental emission standards, and had no environmental pollution accidents. In terms of care and support, the Company thoroughly implemented the decisions and deployments of the central government on the rural revitalization strategy, carried out the designated assistance tasks of stationing in towns and villages for rural revitalization, and dispatched a stationed assistant for such purpose. Meanwhile, the Company actively played a role in consumption assistance. By purchasing poverty-alleviation agricultural products and other means, the cumulative amount of consumption assistance reached over RMB 80,000 during the Reporting Period.

Section V Important Matters

I. Commitments of the Company's de facto controller, shareholders, related parties and acquirers, as well as the Company itself and other entities fulfilled in the reporting period or ongoing as of the end of the Reporting Period

□ Applicable ☑ Not applicable
None.

II. Occupation of the Company's Capital by the Controlling Shareholder or any of Its Related Parties for Non-Operating Purposes

□ Applicable ☑ Not applicable
None.

III. Irregularities in the Provision of Guarantees

□ Applicable ☑ Not applicable

No such cases in the Reporting Period.

IV. Engagement and Disengagement of Independent Auditors

Whether the semi-annual financial report has been audited

□ Yes ☑ No

The semi-annual financial report was not audited.

V. Explanations by the Board of Directors Regarding the "Modified Audit Report" Issued by the Independent Auditor for the Reporting Period

□ Applicable ☑ Not applicable

VI. Explanations by the Board of Directors Regarding the "Modified Audit Report" Issued for the Previous Year

□ Applicable ☑ Not applicable

VII. Insolvency and Reorganization

□ Applicable ☑ Not applicable

No such cases in the Reporting Period.

VIII. Litigation

Major litigation and arbitration matters

□ Applicable ☑ Not applicable

The Company had no major litigation or arbitration matters during the Reporting Period.

Other litigation matters

☑Applicable □Not applicable

General information	Amount involved (RMB10,000)	Whether an estimated liability is recognized	Progress	Decisions and effects	Execution of decisions	Disclosure date	Disclosure index
Summary of other litigations not meeting the disclosure standards for major litigations	1,194.92	Recognized for certain litigation	Filing, hearing or execution	No material impact	Partially executed	Not applicable	Standard for special disclosure not reached

IX. Punishments and Rectifications

□ Applicable ☑ Not applicable

None.

X. Credit Quality of the Company and its Controlling Shareholder and De Facto Controller

☑Applicable □Not applicable

During the Reporting Period, neither the Company nor its largest shareholder failed to fulfill effective court judgments or failed to repay large amounts of debts due, indicating good credit quality. During the Reporting Period, the Company had no controlling shareholder or de facto controller.

XI. Major Related-Party Transactions

1. Related-Party transactions on daily operation

☑Applicable □Not applicable

Related party	Relationship with the Company	Type of related-party transactions	Content of related-party transactions	Pricing principle	Transaction price	Amount of related-party transaction (RMB 10,000)	As % of total value of all same-type transactions	Approved transaction line (RMB 10,000)	Over the approved line or not	Method of settlement	Obtainable market price for same-type transactions	Disclosure date	Disclosure index
Shenzhen MTC Co., Ltd.	Related legal person	Provide services to related	Energy management servic	Fair value	Market price	67.09	0.33%	170	No	Monthly settlement	Not applicable	April 15, 2026	Announcement No.: 202

		parties	es										6-026
Total				--	--	67.09	--	170	--	--	--	--	--
Large-amount sales return in detail				None									
Given the actual situation in the Reporting Period (if any) where an estimate had been made for the total value of continuing related-party transactions by type to occur in the Reporting Period				The daily related-party transactions between the Company and the aforementioned related parties conform to the actual needs of the Company's production, operation, and business development, and the actual transaction amounts are within the approved quota.									
Reason for any significant difference between the transaction price and the market reference price (if applicable)				Not applicable									

2. Related-Party transactions regarding purchase or sales of assets or equity interests

□ Applicable ☑ Not applicable

During the reporting period, the Company had no related party transactions arising from the acquisition or sale of assets or equity.

3. Related-party transactions regarding joint investments in third parties

□ Applicable ☑ Not applicable

No such cases in the Reporting Period.

4. Credits and liabilities with related parties

□ Applicable ☑ Not applicable

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

5. Transactions with related finance companies

□ Applicable ☑ Not applicable

The Company did not make deposits in, receive loans or credit from and was not involved in any other finance business with any related finance company or any other related parties.

6. Transactions with related parties by finance companies controlled by the Company

□ Applicable ☑ Not applicable

The finance company controlled by the Company did not make any deposits, receive loans or credit from, and was not involved in any other finance business with any related parties.

7. Other major related-party transactions

□ Applicable ☑ Not applicable

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

XII. Major Contracts and Execution thereof

1. Entrustment, contracting and leases

(1) Entrustment

□ Applicable ☑ Not applicable

None.

(2) Contracting

□ Applicable ☑ Not applicable

None.

(3) Leases

□ Applicable ☑ Not applicable

During the reporting period, the Company had no leases.

2. Major guarantee

☑Applicable □Not applicable

Unit: RMB10,000

<table>
<tr><td colspan="11">Guarantees provided by the Company and its subsidiaries for external parties (exclusive of those for subsidiaries)</td></tr>
<tr><td>Obligor</td><td>Disclosure date of the announcement on guarantee line</td><td>Line of guarantee</td><td>Actual occurrence date</td><td>Actual guarantee amount</td><td>Type of guarantee</td><td>Collateral (if any)</td><td>Counter guarantee (if any)</td><td>Term of guarantee</td><td>Fulfilled or not</td><td>Guarantee for a related party or not</td></tr>
<tr><td colspan="2">Total approved line for external guarantees in the Reporting Period (A1)</td><td colspan="2">0</td><td colspan="2">Total actual amount of external guarantees in the Reporting Period (A2)</td><td colspan="5">0</td></tr>
<tr><td colspan="2">Total approved line for external guarantees at the end of the Reporting Period (A3)</td><td colspan="2">0</td><td colspan="2">Total balance of external guarantees by the end of the Reporting Period (A4)</td><td colspan="5">0</td></tr>
<tr><td colspan="11">Guarantees provided by the Company to its subsidiaries</td></tr>
<tr><td>Obligor</td><td>Disclosure date of the announcement on</td><td>Line of guarantee</td><td>Actual occurrence date</td><td>Actual guarantee amount</td><td>Type of guarantee</td><td>Collateral (if any)</td><td>Counter guarantee (if any)</td><td>Term of guarantee</td><td>Fulfilled or not</td><td>Guarantee for a related party or not</td></tr>
</table>

	guarantee line									
Shenzhen New Power Industrial Co., Ltd.	April 15, 2026	14,000		0						
Shenzhen Shennan Power Environmental Protection Co., Ltd.	April 15, 2026	4,000		0						
Shenzhen Shennan Power Gas Turbine Engineering Technology Co., Ltd.	April 15, 2026、May 7, 2026	10,000	April 30, 2026	3,538.41	Joint liability guarantee			To February 28, 2035 (The actual maturity date subject to the agreed terms and conditions under the letter of guarantee)	No	No
Shennan Power Energy Technology (Sichuan) Co., Ltd.	April 15, 2026	4,500		0						
Total approved line for the guarantees to subsidiaries in the Reporting Period (B1)		32,500		Total actual amount of the guarantees to subsidiaries in the Reporting Period (B2)						3,538.41
Total approved line for the guarantees to subsidiaries at the end of the Reporting Period		32,500		Total balance of the guarantees to subsidiaries by the end of the Reporting Period						3,538.41

<table>
<tr><td colspan="2">(B3)</td><td colspan="2"></td><td colspan="2">(B4)</td><td colspan="5"></td></tr>
<tr><td colspan="11">Guarantees provided between subsidiaries</td></tr>
<tr><td>Obligor</td><td>Disclosure date of the announcement on guarantee line</td><td>Line of guarantee</td><td>Actual occurrence date</td><td>Actual guarantee amount</td><td>Type of guarantee</td><td>Collateral (if any)</td><td>Counter guarantee (if any)</td><td>Term of guarantee</td><td>Fulfilled or not</td><td>Guarantee for a related party or not</td></tr>
<tr><td colspan="2">Total approved line for the guarantees to subsidiaries in the Reporting Period (C1)</td><td colspan="2">0</td><td colspan="2">Total actual amount of the guarantees to subsidiaries in the Reporting Period (C2)</td><td colspan="5">0</td></tr>
<tr><td colspan="2">Total approved line for the guarantees to subsidiaries at the end of the Reporting Period (C3)</td><td colspan="2">0</td><td colspan="2">Total balance of the guarantees to subsidiaries by the end of the Reporting Period (C4)</td><td colspan="5">0</td></tr>
<tr><td colspan="11">Total guarantee amount (total of the three kinds of guarantees above)</td></tr>
<tr><td colspan="2">Total guarantee line approved in the Reporting Period (A1+B1+C1)</td><td colspan="2">32,500</td><td colspan="2">Total actual guarantee amount in the Reporting Period (A2+B2+C2)</td><td colspan="5">3,538.41</td></tr>
<tr><td colspan="2">Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)</td><td colspan="2">32,500</td><td colspan="2">Total guarantee balance by the end of the Reporting Period (A4+B4+C4)</td><td colspan="5">3,538.41</td></tr>
<tr><td colspan="4">Total guarantee balance (A4+B4+C4) as % of the Company’s net assets</td><td colspan="7">2.11%</td></tr>
<tr><td colspan="11">Including:</td></tr>
<tr><td colspan="4">Balance of guarantees provided for shareholders, de facto controller and their related parties (D)</td><td colspan="7">0</td></tr>
<tr><td colspan="4">Balance of debt guarantees provided directly or indirectly for obligors with an over 70% debt/asset ratio (E)</td><td colspan="7">0</td></tr>
<tr><td colspan="4">Amount by which the total guarantee amount exceeds 50% of the Company’s net assets (F)</td><td colspan="7">0</td></tr>
<tr><td colspan="4">Total of the three guarantee amounts above (D+E+F)</td><td colspan="7">0</td></tr>
<tr><td colspan="4">Explanation of the situation in which the guarantee liability occurs or there is evidence that it may bear joint and several repayment liability during the reporting period in respect of unexpired guarantee contracts (if any)</td><td colspan="7">None</td></tr>
</table>

Explanation on the provision of external guarantees in breach of the prescribed procedures (if any)	None

Note: 1. The Company convened the fifth meeting of the Tenth Session of the Board of Directors on April 13, 2026, which reviewed and approved the *Proposal on Applying for Comprehensive Credit Line for Financing and Providing Guarantees for 2026*, specifying that the Company will provide a maximum guarantee line of not more than RMB 325 million or other equivalent foreign currencies (including financing guarantees and non-financing guarantees) in total for its holding subsidiaries Shenzhen New Power Industrial Co., Ltd., Shenzhen Shennan Power Environmental Protection Co., Ltd., Shenzhen Shennan Power Gas Turbine Engineering Technology Co., Ltd., and Shennan Power Energy Technology (Sichuan) Co., Ltd. for the year 2026 (from the date this proposal is approved by the 2025 Board of Directors to the convening date of the 2026 Board of Directors). The quota can be used on a rolling basis within the validity period approved by the Board of Directors. For details, please refer to the *Announcement on Providing Guarantees for Holding Subsidiaries in 2026* (Announcement No.: 2026-025) disclosed by the Company on *Securities Times* and CNINFO on April 15, 2026. Up to the disclosure date of this report, the guarantees provided by the Company to Shenzhen New Power Industrial Co., Ltd., Shenzhen Shennan Power Environmental Protection Co., Ltd., and Shennan Power Energy Technology (Sichuan) Co., Ltd. have not actually occurred.

2. During the reporting period, the actual guarantee amount provided by the Company for Shenzhen Shennan Power Gas Turbine Engineering Technology Co., Ltd. is USD 5.1559 million. Based on the central parity rate of 6.8628 announced on the official website of the People's Bank of China on April 30, it is equivalent to approximately RMB 35.3841 million. For details, please refer to the *Progress Announcement on Providing Guarantees for Holding Subsidiaries in 2026* (Announcement No.: 2026-033) disclosed by the Company on *Securities Times* and CNINFO on May 7, 2026.

Compound guarantees:

None

3. Entrusted Wealth Management

☑Applicable □Not applicable

Unit: RMB10,000

Product category	Risk characteristics	Balance of entrusted wealth management during the Reporting Period	Unrecovered overdue amount
Monetary market funds	Low risk	3,400.05	0.00

High-risk entrusted wealth management where the Company, as a sole trustor, entrusts a financial institution to carry out asset management, or invests in products with low security and poor liquidity

□ Applicable ☑ Not applicable

4. Other major contracts

☑Applicable □Not applicable

Name of the company entering into the contr	Name of the counterparty entering into the	Subject matter of the contract	Contract signing date	Book value of the assets involved in the	Appraised value of the assets involved	Name of the appraisal institution (if any)	Appraisal base date (if any)	Pricing principles	Transaction price (USD 10,000)	Related-party transaction or not	Relationship with the Company	Execution by the end of the Reporting	Disclosure date	Disclosure index

act	contract			contract (RMB 10,000) (if any)	in the contract (RMB 10,000) (if any)							Period		
Shenzhen Shennan Power Gas Turbine Engineering Technology Co., Ltd.	Botum Sakor Energy Company Limited	Operation and Maintenance Service Project of 2×450MW Gas Turbine Combined Cycle Power Plant in Koh Kong Province, Cambodia	January 29, 2026			Not applicable		Fair value	10,405.68	No	Not applicable	The contract has been signed, and various tasks of the project are progressing in an orderly manner according to the established plan.	January 30, 2026	Announcement No.: 2026-004
Cambodia Branch, Shenzhen Shennan Power Gas Turbine Engineeri	Botum Sakor Energy Company Limited	Operation and Maintenance Service Project of 2×450MW Gas Turbine Com	March 29, 2026			Not applicable		Fair value	10,405.68	No	Not applicable		April 1, 2026	Announcement No.: 2026-014

ng Technology Co., Ltd.		bined Cycle Power Plant in Koh Kong Province, Cambodia												
Shenzhen Shennan Power Gas Turbine Engineering Technology Co., Ltd.; Cambodia Branch, Shenzhen Shennan Power Gas Turbine Engineering Technology Co., Ltd.	Botum Sakor Energy Company Limited	Operation and Maintenance Service Project of 2×450MW Gas Turbine Combined Cycle Power Plant in Koh Kong Province, Cambodia	March 29, 2026			Not applicable		Fair value		No	Not applicable		April 1, 2026	Announcement No.: 2026-014

Note: The three contracts mentioned above are all related contracts for the Operation and Maintenance Service Project of 2×450MW Gas Turbine Combined Cycle Power Plant in Koh Kong Province, Cambodia undertaken by Shennan Power Engineering Company. The total contract amount of USD 208,113,545 is an estimated amount based on the operation and maintenance cycle, and the actual amount is subject to the amount confirmed during the contract execution process. For details, please refer to the relevant announcements disclosed by the Company on *Securities Times* and CNINFO. (Announcement No.: 2026-001, 2026-004, 2026-014)

XIII. Reception of Researches, Communications, Interviews and other Activities during the Reporting Period

☑Applicable □Not applicable

Reception time	Place of reception	Method of reception	Type of object of reception	Object of reception	Main points of discussion and information provided	Index of basic information of researches
May 8, 2026	Value Online Platform	Online communication on the network platform	Institution/individual	11	Inquiry about the Company's performance, operating measures, competitive advantages, project progress, etc.	All written replies provided by the Company
May 14, 2026	Office Area of the Company's Headquarters	Field survey	Individual	1	Inquiry about the Company's dividend distribution, progress of energy storage projects, etc.	All received by the Company in accordance with laws and regulations
January - June 2026	irm.cninfo.com.cn	Written inquiry	Individual	19	Inquiry about the Company's performance, operating measures, energy storage business layout, progress of investment matters, land reserve progress, etc.	All written replies provided by the Company
January - June 2026	Telephone communication	Telephone communication	Individual	14	Inquiry about the Company's production and operation, performance, development of comprehensive energy service business, land reserve progress, etc.	All replied by the Company in accordance with laws and regulations

XIV. Other Significant Events

☑Applicable □Not applicable

Land-related matters of Nanshan Thermal Power Station: In March 2026, the Company again learned from the official website of the Shenzhen Municipal Planning and Natural Resources Bureau about the *Notice of the Municipal Planning and Natural Resources Bureau on Issuing the Shenzhen 2026 Annual Land Preparation Plan*. According to such notice and its appendixes, the land reserve and related contents of the Nanshan Thermal Power Station affiliated with the

Company are still within the Shenzhen 2026 Annual Land Preparation Plan, with no material change from the contents stated in the land preparation plans disclosed in recent years. (For details, please refer to the relevant announcements disclosed by the Company on *Securities Times* and CNINFO, Announcement No.: 2026-013)

Except for the foregoing, the refund payable for the Company's "Project Technical Transformation Beneficiary Fund" had no progress or change during the Reporting Period.

XV. Significant Events of the Company's Subsidiaries

□ Applicable ☑ Not applicable

Section VI. Share Changes and Shareholders

I. Share Changes

1. Share changes

Unit: share

	Before the Change		Increase/decrease during the period (+, -)					After the Change	
	Quantity	Proportion	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Others	Subtotal	Quantity	Proportion
I. Restricted shares									
1. State-owned shares									
2. Shares held by the state-owned legal persons									
3. Other domestic holdings									
Including: shares held by domestic legal persons									
Shares held by domestic natural persons									
4. Foreign shareholding									
Including: shares held by overseas legal persons									

Shares held by overseas natural persons									
II. Unrestricted shares	602,762,596	100.00%						602,762,596	100.00%
1. RMB-denominated ordinary shares	338,908,150	56.23%						338,908,150	56.23%
2. Domestically listed foreign shares	263,854,446	43.77%						263,854,446	43.77%
3. Foreign shares listed overseas									
4. Others									
III. Total shares	602,762,596	100.00%						602,762,596	100.00%

Reasons for the change

□ Applicable ☑ Not applicable

Approval of the change

□ Applicable ☑ Not applicable

Transfer of share ownership

□ Applicable ☑ Not applicable

Progress on any share repurchases

□ Applicable ☑ Not applicable

Progress on reducing the repurchased shares by means of centralized bidding

□ Applicable ☑ Not applicable

Effects of the share changes on the basic and diluted earnings per share, equity per share attributable to the Company's ordinary shareholders and other financial indicators of the prior year and the prior accounting period, respectively:

□ Applicable ☑ Not applicable

Other information that the Company considers necessary or is required by the securities regulator to be disclosed

□ Applicable ☑ Not applicable

2. Changes in restricted shares

□ Applicable ☑ Not applicable

II. Issuance and Listing of Securities

□ Applicable ☑ Not applicable

III. Number of Shareholders and Shareholdings of the Company

Unit: share

Number of ordinary shareholders as at the end of the Reporting Period		56,797		Total number of preferred shareholders with restoration of voting rights at the end of the reporting period (if any) (see Note 8)			0	
Shareholdings of shareholders holding more than 5% or the top 10 shareholders (excluding shares lent through refinancing)								
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held by the end of the Reporting Period	Increase/decrease in the Reporting Period	Restricted shares held	Unrestricted shares held	Shares in pledge, marked or frozen	
							Status	Quantity
Hong Kong Nam Hoi (International) Limited	Foreign legal person	15.28%	92,123,248	0	0	92,123,248	Not applicable	0
Shenzhen Guangju Industrial Co., Ltd.	State-owned legal person	12.22%	73,666,824	0	0	73,666,824	Not applicable	0
Shenzhen Energy Group Co., Ltd.	State-owned legal person	10.80%	65,106,130	0	0	65,106,130	Not applicable	0
Zeng Ying	Domestic natural person	1.19%	7,159,600	0	0	7,159,600	Not applicable	0
CHINA MERCHANTS SECURITIES (HK) LIMITED	Foreign legal person	0.87%	5,230,654	-231,500	0	5,230,654	Not applicable	0
LISHERYN ZHANMING	Foreign natural person	0.72%	4,320,000	156,400	0	4,320,000	Not applicable	0
BOCI SECURITIES LIMITED	Foreign legal person	0.72%	4,310,566	0	0	4,310,566	Not applicable	0
GUOTAI JUNAN SECURITIES（HONG KONG）LIMITED	Foreign legal person	0.68%	4,110,632	-1,269,248	0	4,110,632	Not applicable	0
Huang Yilong	Domestic natural person	0.64%	3,866,500	0	0	3,866,500	Not applicable	0
Zhang Yuexiang	Domestic natural	0.55%	3,290,053	-10,000	0	3,290,053	Not applicable	0

	person							

Strategic investor or general legal person becoming a top-10 ordinary shareholder due to rights issue (if any) (see note 3)	None
Related or acting-in-concert parties among the shareholders above	1. Shenzhen Energy Group Co., Ltd. holds 100% equity interest in Hong Kong Nam Hoi (International) Limited. 2. It remains unknown to the Company that whether other social shareholders are related or act in concert.
Involvement of any shareholder above in entrusting/being entrusted with voting rights or waiving voting rights	None
Special account for share repurchases (if any) among the top 10 shareholders (see note 11)	None

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

Name of shareholder	Unrestricted shares held by the end of the Reporting Period	Type	
		Type	Quantity
Hong Kong Nam Hoi (International) Limited	92,123,248	Domestically listed foreign stock	92,123,248
Shenzhen Guangju Industrial Co., Ltd.	73,666,824	RMB-denominated ordinary stock	73,666,824
Shenzhen Energy Group Co., Ltd.	65,106,130	RMB-denominated ordinary stock	65,106,130
Zeng Ying	7,159,600	Domestically listed foreign stock	7,159,600
CHINA MERCHANTS SECURITIES (HK) LIMITED	5,230,654	Domestically listed foreign stock	5,230,654
LISHERYNZHANMING	4,320,000	Domestically listed foreign stock	4,320,000
BOCI SECURITIES LIMITED	4,310,566	Domestically listed foreign	4,310,566

		stock	
GUOTAI JUNAN SECURITIES（HONG KONG） LIMITED	4,110,632	Domestically listed foreign stock	4,110,632
Huang Yilong	3,866,500	RMB-denominated ordinary stock	3,866,500
Zhang Yuexiang	3,290,053	Domestically listed foreign stock	3,290,053
Related or acting-in-concert parties among top 10 shareholders of unrestricted shares, as well as between top 10 shareholders of unrestricted shares and top 10 shareholders	1. Shenzhen Energy Group Co., Ltd. holds 100% equity interest in Hong Kong Nam Hoi (International) Limited. 2. It remains unknown to the Company that whether other social shareholders are related or act in concert.		
Top 10 ordinary shareholders involved in securities margin trading (if any) (see note 4)	None		

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

□ Applicable ☑ Not applicable

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

□ Applicable ☑ Not applicable

Whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary shareholders of the Company conducted any promissory repo during the Reporting Period.

□ Yes ☑ No

The company's top 10 common stock shareholders and top 10 unrestricted common stock shareholders did not engage in any repurchase transactions during the reporting period.

IV. Changes in Shareholdings of Directors and Senior Executives

□ Applicable ☑ Not applicable

There was no change in the shareholding of the Company's directors and senior executives during the Reporting Period. Please refer to the 2025 Annual Report for details.

V. Changes in Controlling Shareholders or De Facto Controllers

If the Company previously disclosed that the actual controller was planning a change of control, which has not been completed, please explain the progress of such change.

□ Applicable ☑ Not applicable

Change to the controlling shareholder in the Reporting Period

□ Applicable ☑ Not applicable

None.

Change of the de facto controller during the Reporting Period

□ Applicable ☑ Not applicable

None.

VI. Preference Shares

□ Applicable ☑ Not applicable
No Preference shares in the Reporting Period.

Section VII Bonds

□ Applicable ☑ Not applicable

Section VIII Financial Report

I. Independent Auditor's Report

Whether the semi-annual report has been audited
□ Yes ☑ No
The semi-annual financial report of the Company was unaudited.

II. Financial Statements

Unit of the currency for the financial statements and the notes thereto: RMB

1. Consolidated Balance Sheet

Prepared by: Shenzhen Nanshan Power Co., Ltd.

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Monetary assets	246,996,378.28	141,590,339.04
Settlement reserve		
Interbank loans granted		
Trading financial assets	213,244,098.04	341,000,000.00
Derivative financial assets		
Notes receivable	400,000.00	
Accounts receivable	109,320,305.12	109,831,397.29
Receivables financing		
Prepayments	27,031,243.97	11,052,982.80
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	362,387,516.84	361,729,062.93
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	38,810,872.76	37,972,909.48
Including: Data resources		
Contract assets	7,209,277.31	21,441,671.72
Assets held for sale		
Current portion of non-current assets		
Other current assets	302,711,134.68	266,262,387.12

Total current assets	1,308,110,827.00	1,290,880,750.38
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	166,565,065.15	196,827,515.83
Other equity instrument investments	234,179,057.20	234,179,057.20
Other non-current financial assets		
Investment properties	1,248,174.70	1,331,453.08
Fixed assets	530,531,149.52	544,902,436.89
Construction in progress	3,283,591.43	3,113,338.75
Productive biological assets		
Oil and gas assets		
Right-of-use assets	36,824,287.82	28,785,337.19
Intangible assets	1,860,921.06	2,041,770.36
Including: Data resources		
Development costs		
Including: Data resources		
Goodwill		
Long-term deferred expenses	5,673,825.94	6,567,159.05
Deferred tax assets	4,263,047.69	4,264,858.88
Other non-current assets	5,487,497.73	857,135.84
Total non-current assets	989,916,618.24	1,022,870,063.07
Total assets	2,298,027,445.24	2,313,750,813.45
Current liabilities:		
Short-term borrowings	172,102,811.10	172,094,604.45
Borrowings from the central bank		
Interbank loans obtained		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	27,353,787.90	42,661,594.09
Advances from customers		
Contract liabilities	5,185,301.61	130,796.46
Financial assets sold under repurchase agreements		
Customer deposits and interbank deposits		
Payables for acting trading of securities		
Payables for underwriting of securities		
Employee benefits payable	5,024,073.81	24,759,553.78
Taxes payable	11,348,667.34	8,531,798.19

Other payables	27,224,007.81	33,323,386.05
Including: Interest payable		
Dividends payable	15,000,000.00	22,500,000.00
Handling charges and commissions payable		
Reinsurance payables		
Liabilities held for sale		
Non-current liabilities maturing within one year	10,135,541.28	7,340,810.74
Other current liabilities	896,949.44	2,425,298.89
Total current liabilities	259,271,140.29	291,267,842.65
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings	165,631,166.72	168,421,492.31
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	32,461,101.64	24,668,020.16
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities	364,945.00	364,945.00
Deferred income	38,740,507.31	41,913,447.41
Deferred tax liabilities	14,977,656.19	9,846,034.15
Other non-current liabilities		
Total non-current liabilities	252,175,376.86	245,213,939.03
Total liabilities	511,446,517.15	536,481,781.68
Owners' equity:		
Share capital	602,762,596.00	602,762,596.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	362,767,402.38	362,767,402.38
Less: Treasury stock		
Other comprehensive income	31,060,128.85	31,064,057.20
Specific reserve	544,085.30	410,577.62
Surplus reserves	332,908,397.60	332,908,397.60
General risk reserves		
Retained earnings	348,191,596.86	347,646,697.47
Total equity attributable to owners of the parent company	1,678,234,206.99	1,677,559,728.27
Minority equity	108,346,721.10	99,709,303.50
Total owners’ equity	1,786,580,928.09	1,777,269,031.77

Total liabilities and owners' equity	2,298,027,445.24	2,313,750,813.45

Legal Representative: Kong Guoliang Person in Charge of Accounting: Kong Guoliang Chief Finance Officer: Zhang Xiaoyin Head of Accounting: Lin Xiaojia

2. Balance sheet of the parent company

Unit: RMB

Item	Ending balance	Beginning balance
Current assets:		
Monetary assets	19,051,233.12	23,174,572.46
Trading financial assets	213,244,098.04	341,000,000.00
Derivative financial assets		
Notes receivable		
Accounts receivable	61,744,388.17	42,375,469.95
Receivables financing		
Prepayments	21,017,021.41	21,412,712.54
Other receivables	609,229,534.27	568,495,288.27
Including: Interest receivable		
Dividends receivable	15,000,000.00	22,500,000.00
Inventories	36,025,768.04	36,421,637.94
Including: Data resources		
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	284,660,856.67	242,489,343.26
Total current assets	1,244,972,899.72	1,275,369,024.42
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	724,951,271.46	721,590,421.11
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	329,500,553.57	336,942,043.04
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use assets	10,610,930.37	1,811,770.63
Intangible assets	1,716,245.24	1,874,171.18
Including: Data resources		
Development costs		

Including: Data resources		
Goodwill		
Long-term deferred expenses	5,673,825.94	6,567,159.05
Deferred tax assets		
Other non-current assets	4,993,779.38	857,135.84
Total non-current assets	1,077,446,605.96	1,069,642,700.85
Total assets	2,322,419,505.68	2,345,011,725.27
Current liabilities:		
Short-term borrowings	142,083,227.77	142,071,687.79
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	4,165,466.26	4,789,658.17
Advances from customers		
Contract liabilities		130,796.46
Employee benefits payable	2,641,970.51	15,991,534.16
Taxes payable	10,469,444.01	6,898,103.90
Other payables	309,833,435.08	323,690,071.27
Including: Interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities maturing within one year	3,440,161.69	2,125,910.15
Other current liabilities		
Total current liabilities	472,633,705.32	495,697,761.90
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	7,497,585.34	
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities		
Deferred income	38,114,037.57	41,223,194.07
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	45,611,622.91	41,223,194.07
Total liabilities	518,245,328.23	536,920,955.97
Owners' equity:		
Share capital	602,762,596.00	602,762,596.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		

Capital reserves	289,963,039.70	289,963,039.70
Less: Treasury stock		
Other comprehensive income		
Specific reserve	477,807.20	410,577.62
Surplus reserves	332,908,397.60	332,908,397.60
Retained earnings	578,062,336.95	582,046,158.38
Total owners' equity	1,804,174,177.45	1,808,090,769.30
Total liabilities and owners' equity	2,322,419,505.68	2,345,011,725.27

Legal Representative: Kong Guoliang Person in Charge of Accounting: Kong Guoliang Chief Finance Officer: Zhang Xiaoyin Head of Accounting: Lin Xiaojia

3. Consolidated income statement

Unit: RMB

Item	First half of 2026	First half of 2025
I. Total operating revenue	201,808,302.33	166,389,954.25
Including: Operating revenue	201,808,302.33	166,389,954.25
Interest revenue		
Premiums earned		
Service fee and commission income		
II. Total operating costs	187,773,883.55	209,522,013.90
Including: Cost of sales	137,515,768.78	162,096,776.61
Interest expense		
Service fee and commission expense		
Surrenders		
Net claims paid		
Net change in insurance reserves		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	1,635,481.20	2,225,967.73
Selling expense	2,344,744.33	1,048,176.93
Administrative expense	33,344,820.84	34,186,284.20
R&D expense	7,700,122.14	8,552,435.26
Finance costs	5,232,946.26	1,412,373.17
Including: Interest expense	5,189,789.59	3,740,764.90
Interest revenue	-166,746.53	-2,386,769.54
Add: Other income	3,266,675.89	3,313,058.58
Investment income ("-" for loss)	17,140,509.64	13,771,642.72
Including: Investment income from associates and joint ventures	11,487,600.93	2,976,431.04

Income from the derecognition of financial assets at amortized cost		
Exchange gains ("-" for loss)		
Net gains on exposure hedges ("-" for loss)		
Gains from changes in fair value ("-" for loss)	643,644.40	
Credit impairment loss ("-" for loss)	-2,159,157.71	
Asset impairment loss ("-" for loss)		
Gains from disposal of assets ("-" for loss)	365,503.54	1,156,732.52
III. Operating profit ("-" for loss)	33,291,594.54	-24,890,625.83
Add: Non-operating income	263,914.26	0.00
Less: Non-operating expenses	270.20	92,279.19
IV. Total profit ("-" for total loss)	33,555,238.60	-24,982,905.02
Less: Income tax expense	5,148,197.51	53,667.86
V. Net profit ("-" for net loss)	28,407,041.09	-25,036,572.88
(I) By operating continuity		
1. Net profit from continuing operations ("-" for net loss)	28,407,041.09	-25,036,572.88
2. Net profit from discontinued operations ("-" for net loss)		
(II) By ownership		
1. Net profit attributable to shareholders of the parent company ("-" for net loss)	19,833,302.46	-21,739,509.64
2. Minority interests ("-" for net loss)	8,573,738.63	-3,297,063.24
VI. Other comprehensive income (net of tax)	-3,928.35	2,719,216.40
Other comprehensive income attributable to owners of the parent company (net of tax)	-3,928.35	2,719,216.40
(I) Other comprehensive income not reclassified to gains/losses		2,719,216.40
1. Remeasurement of defined benefit plans		
2. Other comprehensive income not reclassified to gains/losses under the equity method		
3. Changes in fair value of investments in other equity instruments		2,719,216.40
4. Changes in fair value arising from changes in own credit risk		
5. Others		
(II) Other comprehensive income reclassified to gains/losses	-3,928.35	

1. Other comprehensive income reclassified to gains/losses under the equity method		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of financial assets		
4. Credit impairment allowance for investments in other debt obligations		
5. Reserve for cash flow hedges		
6. Differences arising from the translation of foreign currency-denominated financial statements	-3,928.35	
7. Others		
Other comprehensive income attributable to the minority shareholders (net of tax)		
VII. Total comprehensive income	28,403,112.74	-22,317,356.48
Total comprehensive income attributable to owners of the parent company	19,829,374.11	-19,020,293.24
Total comprehensive income attributable to non-controlling interests	8,573,738.63	-3,297,063.24
VIII. Earnings per share:		
(I) Basic earnings per share	0.0329	-0.0361
(II) Diluted earnings per share	0.0329	-0.0361

Legal Representative: Kong Guoliang Person in Charge of Accounting: Kong Guoliang Chief Finance Officer: Zhang Xiaoyin Head of Accounting: Lin Xiaojia

4. Income Statement of the parent company

Unit: RMB

Item	First half of 2026	First half of 2025
I. Operating revenue	141,374,845.61	145,467,624.06
Less: Cost of sales	111,216,000.11	147,248,786.41
Taxes and surcharges	912,685.18	1,148,347.31
Selling expense	549,312.70	196,802.11
Administrative expense	22,994,587.50	24,209,669.19
R&D expense	5,781,090.02	6,740,933.81
Finance costs	-1,974,236.28	-5,324,191.89
Including: Interest expense	3,401,800.09	3,275,257.75
Interest revenue	-5,242,279.79	-8,601,235.68

Add: Other income	3,167,615.42	3,184,551.84
Investment income ("-" for loss)	9,597,915.44	7,829,332.02
Including: Investment income from associates and joint ventures	4,372,975.35	2,634,120.34
Income from the derecognition of financial assets at amortized cost ("-" for loss)		
Net gains on exposure hedges ("-" for loss)		
Gains from changes in fair value ("-" for loss)	643,644.40	
Credit impairment loss ("-" for loss)		
Asset impairment loss ("-" for loss)		
Gains from disposal of assets ("-" for loss)		
II. Operating profit ("-" for loss)	15,304,581.64	-17,738,839.02
Add: Non-operating income		
Less: Non-operating expenses		66,432.06
III. Total profit ("-" for total loss)	15,304,581.64	-17,805,271.08
Less: Income tax expense		6,187.80
IV. Net profit ("-" for net loss)	15,304,581.64	-17,811,458.88
(I) Net profit from continuing operations ("-" for net loss)	15,304,581.64	-17,811,458.88
(II) Net profit from discontinued operations ("-" for net loss)		
V. Other comprehensive income (net of tax)		
(I) Other comprehensive income not reclassified to gains/losses		
1. Remeasurement of defined benefit plans		
2. Other comprehensive income not reclassified to gains/losses under the equity method		
3. Changes in fair value of investments in other equity instruments		
4. Changes in fair value arising from changes in own credit risk		
5. Others		
(II) Other comprehensive income reclassified to gains/losses		
1. Other comprehensive income reclassified to gains/losses under the equity method		
2. Changes in the fair value of investments in other debt obligations		
3. Other comprehensive income arising from the reclassification of		

financial assets		
4. Credit impairment allowance for investments in other debt obligations		
5. Reserve for cash flow hedges		
6. Differences arising from the translation of foreign currency-denominated financial statements		
7. Others		
VI. Total comprehensive income	15,304,581.64	-17,811,458.88
VII. Earnings per share:		
(I) Basic earnings per share	0.0254	-0.0295
(II) Diluted earnings per share	0.0254	-0.0295

Legal Representative: Kong Guoliang Person in Charge of Accounting: Kong Guoliang Chief Finance Officer: Zhang Xiaoyin Head of Accounting: Lin Xiaojia

5. Consolidated Statement of Cash Flows

Unit: RMB

Item	First half of 2026	First half of 2025
I. Cash flows from operating activities:		
Proceeds from the sale of commodities and rendering of services	260,302,955.14	154,990,186.28
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from the central bank		
Net increase in loans from other financial institutions		
Premiums in proceeds received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, service fee, and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates		
Cash generated from other operating activities	9,398,695.18	10,469,572.28
Subtotal of cash generated from operating activities	269,701,650.32	165,459,758.56

Cash paid for commodities and services	156,771,665.05	145,978,477.97
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and in interbank loans granted		
Payments in cash for claims on original insurance contracts		
Net increase in interbank loans granted		
Interest, service fee, and commissions paid		
Policy dividends paid		
Cash paid to and for employees	79,460,941.24	60,121,803.88
Taxes paid	12,743,094.75	12,132,329.68
Cash used in other operating activities	134,408,727.65	9,480,912.54
Subtotal of cash used in operating activities	383,384,428.69	227,713,524.07
Net cash generated from/used in operating activities	-113,682,778.37	-62,253,765.51
II. Cash flows from investing activities:		
Proceeds from disinvestment	29,999,995.08	8,698,892.26
Return on investment in cash	29,425,960.16	8,148,076.97
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	13,000.00	62,511,559.15
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	74,958,596.95	15,015,192.12
Subtotal of cash generated from investing activities	134,397,552.19	94,373,720.50
Payments in cash for the acquisition of fixed assets, intangible assets and other long-lived assets	6,314,474.69	120,888,761.27
Cash paid for investments		1,950,000.00
Net increase in pledged loans granted		
Net payments in cash for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		193,645,193.91
Subtotal of cash used in investing activities	6,314,474.69	316,483,955.18
Net cash generated from/used in investing activities	128,083,077.50	-222,110,234.68
III. Cash flows from financing activities:		
Proceeds in cash from disinvestment		
Including: Capital contributions by non-controlling interests to subsidiaries		

Borrowings raised in cash		97,154,742.83
Cash generated from other financing activities		
Subtotal of cash generated from financing activities		97,154,742.83
Repayment of borrowings	1,289,801.14	175,558,036.22
Cash payments for distribution of dividends or profit and interest	29,304,158.71	1,989,966.09
Including: Dividends and profits paid to minority shareholders by subsidiaries	6,000,000.00	
Cash used in other financing activities	2,292,033.43	2,142,680.00
Subtotal of cash used in financing activities	32,885,993.28	179,690,682.31
Net cash generated from/used in financing activities	-32,885,993.28	-82,535,939.48
IV. Effect of foreign exchange rates changes on cash and cash equivalents	-122,824.95	-26,313.15
V. Net increase in cash and cash equivalents	-18,608,519.10	-366,926,252.82
Add: Cash and cash equivalents, beginning of the period	133,255,608.28	471,067,121.66
VI. Cash and cash equivalents, end of the period	114,647,089.18	104,140,868.84

Legal Representative: Kong Guoliang Person in Charge of Accounting: Kong Guoliang Chief Finance Officer: Zhang Xiaoyin Head of Accounting: Lin Xiaojia

6. Statement of Cash Flows of the Parent Company

Unit: RMB

Item	First half of 2026	First half of 2025
I. Cash flows from operating activities:		
Proceeds from the sale of commodities and rendering of services	140,209,836.38	138,385,701.82
Tax rebates		
Cash generated from other operating activities	136,252,657.53	22,208,624.58
Subtotal of cash generated from operating activities	276,462,493.91	160,594,326.40
Cash paid for commodities and services	110,785,730.75	144,922,149.77
Cash paid to and for employees	49,979,310.11	37,070,418.47
Taxes paid	6,950,844.27	1,560,645.13
Cash used in other operating activities	65,539,768.97	6,775,403.82
Subtotal of cash used in operating activities	233,255,654.10	190,328,617.19
Net cash generated from/used in operating activities	43,206,839.81	-29,734,290.79

II. Cash flows from investing activities:		
Proceeds from disinvestment		
Return on investment in cash	25,760,060.01	2,548,076.97
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets		
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities	74,958,596.95	70,000,000.00
Subtotal of cash generated from investing activities	100,718,656.96	72,548,076.97
Payments in cash for the acquisition of fixed assets, intangible assets and other long-lived assets	190,216.51	2,050,686.91
Cash paid for investments		
Net payments in cash for the acquisition of subsidiaries and other business units		
Cash used in other investing activities	59,843,173.66	224,447,253.82
Subtotal of cash used in investing activities	60,033,390.17	226,497,940.73
Net cash generated from/used in investing activities	40,685,266.79	-153,949,863.76
III. Cash flows from financing activities:		
Proceeds in cash from disinvestment		
Borrowings raised in cash		
Cash generated from other financing activities	34,000,000.00	16,000,000.00
Subtotal of cash generated from financing activities	34,000,000.00	16,000,000.00
Repayment of borrowings		145,558,036.22
Cash payments for distribution of dividends or profit and interest	20,464,246.49	1,296,369.80
Cash used in other financing activities	115,516,057.17	21,854,159.41
Subtotal of cash used in financing activities	135,980,303.66	168,708,565.43
Net cash generated from/used in financing activities	-101,980,303.66	-152,708,565.43
IV. Effect of foreign exchange rates changes on cash and cash equivalents	64,857.72	-629.68
V. Net increase in cash and cash equivalents	-18,023,339.34	-336,393,349.66
Add: Cash and cash equivalents, beginning of the period	23,174,572.46	408,963,344.55
VI. Cash and cash equivalents, end of the period	5,151,233.12	72,569,994.89

Legal Representative: Kong Guoliang Person in Charge of Accounting: Kong Guoliang Chief Finance Officer: Zhang Xiaoyin Head of Accounting: Lin Xiaojia

7. Consolidated Statements of Changes in Owners' Equity

Current amount

Unit: RMB

Item	First half of 2026														
	Equity attributable to owners of the parent company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal		
		Preferred shares	Perpetual bonds	Others											
I. Balance as at the end of the previous year	602,762,596.00				362,767,402.38		31,064,057.20	410,577.62	332,908,397.60		347,646,697.47		1,677,559,728.27	99,709,303.50	1,777,269,031.77
Add: Changes in accounting policies															
Correction of previous error															
Others															
II. Balance at the beginning of the year	602,762,596.00				362,767,402.38		31,064,057.20	410,577.62	332,908,397.60		347,646,697.47		1,677,559,728.27	99,709,303.50	1,777,269,031.77
III. Changes in the current period ("-" for decrease)							-3,928.35	133,507.68			544,899.39		674,478.72	8,637,417.60	9,311,896.32
(I) Total comprehensive income							-3,928.35				19,833,302.46		19,829,374.11	8,573,738.63	28,403,112.74
(II) Capital increased and reduced by the owner															
1. Ordinary shares contributed by owners															
2. Capital increased by holders of other equity															

instruments															
3. Amount of share-based payments included in owners' equity															
4. Others															
(III) Profit distribution											-19,288,403.07		-19,288,403.07		-19,288,403.07
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)											-19,288,403.07		-19,288,403.07		-19,288,403.07
4. Others															
(IV) Transfers within owners’ equity															
1. Increase in capital (or share capital) from capital reserves															
2. Increase in capital (or share capital) from surplus reserves															
3. Loss offset by surplus reserves															
4. Changes in defined benefit schemes transferred to retained earnings															
5. Other comprehensive income converted into retained earnings															
6. Others															

(V) Special reserves								133,507.68					133,507.68	63,678.97	197,186.65
1. Appropriated in the current period								2,141,792.87					2,141,792.87	72,955.67	2,214,748.54
2. Used in the current period								2,008,285.19					2,008,285.19	9,276.70	2,017,561.89
(VI) Others															
IV. Balance at the end of the current period	602,762,596.00				362,767,402.38		31,060,128.85	544,085.30	332,908,397.60		348,191,596.86		1,678,234,206.99	108,346,721.10	1,786,580,928.09

Legal Representative: Kong Guoliang Person in Charge of Accounting: Kong Guoliang Chief Finance Officer: Zhang Xiaoyin Head of Accounting: Lin Xiaojia

Amount for the previous period

Unit: RMB

Item	First half of 2025														
	Equity attributable to owners of the parent company													Minority equity	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal		
		Preferred shares	Perpetual bonds	Others											
I. Balance as at the end of the previous year	602,762,596.00				362,770,922.10		1,683,054.57		332,908,397.60		185,255,604.81		1,485,380,575.08	22,543,265.62	1,507,923,840.70
Add: Changes in accounting policies															
Correction of previous error															
Others															
II. Balance at the beginning of the year	602,762,596.00				362,770,922.10		1,683,054.57		332,908,397.60		185,255,604.81		1,485,380,575.08	22,543,265.62	1,507,923,840.70

III. Changes in the current period ("-" for decrease)							1,366,324.14	1,307,873.10			-20,386,617.38		-17,712,420.14	-3,297,063.24	-21,009,483.38
(I) Total comprehensive income							2,719,216.40				-21,739,509.64		-19,020,293.24	-3,297,063.24	-22,317,356.48
(II) Capital increased and reduced by the owner															
1. Ordinary shares contributed by owners															
2. Capital increased by holders of other equity instruments															
3. Amount of share-based payments included in owners' equity															
4. Others															
(III) Profit distribution															
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)															
4. Others															
(IV) Transfers within owners’ equity															
1. Increase in capital (or share capital) from capital reserves															
2. Increase in capital (or share capital) from surplus reserves															
3. Loss offset by surplus															

reserves															
4. Changes in defined benefit schemes transferred to retained earnings															
5. Other comprehensive income converted into retained earnings															
6. Others															
(V) Special reserves								1,307,873.10					1,307,873.10		1,307,873.10
1. Appropriated in the current period								3,056,749.98					3,056,749.98		3,056,749.98
2. Used in the current period								1,748,876.88					1,748,876.88		1,748,876.88
(VI) Others							-1,352,892.26				1,352,892.26				
IV. Balance at the end of the current period	602,762,596.00				362,770,922.10		3,049,378.71	1,307,873.10	332,908,397.60		164,868,987.43		1,467,668,154.94	19,246,202.38	1,486,914,357.32

Legal Representative: Kong Guoliang Person in Charge of Accounting: Kong Guoliang Chief Finance Officer: Zhang Xiaoyin Head of Accounting: Lin Xiaojia

8. Statements of Changes in Owners' Equity of the parent company

Current amount

Unit: RMB

Item	First half of 2026											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserve	Surplus reserves	Retained earnings	Others	Total owners' equity
		Preferred	Perpetual	Others								

		shares	bonds									
I. Balance as at the end of the previous year	602,762,596.00				289,963,039.70			410,577.62	332,908,397.60	582,046,158.38		1,808,090,769.30
Add: Changes in accounting policies												
Correction of previous error												
Others												
II. Balance at the beginning of the year	602,762,596.00				289,963,039.70			410,577.62	332,908,397.60	582,046,158.38		1,808,090,769.30
III. Changes in the current period ("-" for decrease)								67,229.58		-3,983,821.43		-3,916,591.85
(I) Total comprehensive income										15,304,581.64		15,304,581.64
(II) Capital increased and reduced by the owner												
1. Ordinary shares contributed by owners												
2. Capital increased by holders of other equity instruments												
3. Amount of share-based payments included in owners' equity												
4. Others												
(III) Profit distribution										-19,288,403.07		-19,288,403.07
1. Appropriation to surplus reserves												
2. Appropriation to owners (or shareholders)										-19,288,403.07		-19,288,403.07
3. Others												

(IV) Transfers within owners' equity												
1. Increase in capital (or share capital) from capital reserves												
2. Increase in capital (or share capital) from surplus reserves												
3. Loss offset by surplus reserves												
4. Changes in defined benefit schemes transferred to retained earnings												
5. Other comprehensive income converted into retained earnings												
6. Others												
(V) Special reserves								67,229.58				67,229.58
1. Appropriated in the current period								1,663,823.35				1,663,823.35
2. Used in the current period								1,596,593.77				1,596,593.77
(VI) Others												
IV. Balance at the end of the current period	602,762,596.00				289,963,039.70			477,807.20	332,908,397.60	578,062,336.95		1,804,174,177.45

Legal Representative: Kong Guoliang Person in Charge of Accounting: Kong Guoliang Chief Finance Officer: Zhang Xiaoyin Head of Accounting: Lin Xiaojia

Amount for the previous period

Unit: RMB

Item	First half of 2025										
	Share	Other equity instruments	Capital	Less:	Other	Specific	Surplus	Retaine	Othe	Total

	capital	Preferred shares	Perpetual bonds	Others	reserves	Treasury stock	comprehensive income	reserve	reserves	d earnings	rs	owners' equity
I. Balance as at the end of the previous year	602,762,596.00				289,963,039.70				332,908,397.60	622,717,765.31		1,848,351,798.61
Add: Changes in accounting policies												
Correction of previous error												
Others												
II. Balance at the beginning of the year	602,762,596.00				289,963,039.70				332,908,397.60	622,717,765.31		1,848,351,798.61
III. Changes in the current period ("-" for decrease)								1,307,873.10		-17,811,458.88		-16,503,585.78
(I) Total comprehensive income										-17,811,458.88		-17,811,458.88
(II) Capital increased and reduced by the owner												
1. Ordinary shares contributed by owners												
2. Capital increased by holders of other equity instruments												
3. Amount of share-based payments included in owners' equity												
4. Others												
(III) Profit distribution												
1. Appropriation to surplus reserves												
2. Appropriation to owners (or shareholders)												
3. Others												

(IV) Transfers within owners' equity												
1. Increase in capital (or share capital) from capital reserves												
2. Increase in capital (or share capital) from surplus reserves												
3. Loss offset by surplus reserves												
4. Changes in defined benefit schemes transferred to retained earnings												
5. Other comprehensive income converted into retained earnings												
6. Others												
(V) Special reserves								1,307,873.10				1,307,873.10
1. Appropriated in the current period								3,056,749.98				3,056,749.98
2. Used in the current period								1,748,876.88				1,748,876.88
(VI) Others												
IV. Balance at the end of the current period	602,762,596.00				289,963,039.70			1,307,873.10	332,908,397.60	604,906,306.43		1,831,848,212.83

Legal Representative: Kong Guoliang Person in Charge of Accounting: Kong Guoliang Chief Finance Officer: Zhang Xiaoyin Head of Accounting: Lin Xiaojia

III. Company profile

1. Company Profile

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

With the approval of the Shenzhen Securities Management Office (Doc. SZBF [1993] No. 179), the Company issued 40 million RMB ordinary shares and 37 million domestically listed foreign shares to domestic and foreign investors respectively on January 3, 1994. On July 1, 1994 and November 28, 1994, the RMB ordinary shares (A shares) and domestically listed foreign shares (B shares) issued by the Company were successfully listed for trading on the Shenzhen Stock Exchange.

The Company is mainly engaged in power production and sales and comprehensive energy services. The Company is registered at No. 2097, Yueliangwan Avenue, Nanshan District, Shenzhen City, Guangdong Province, and headquartered at16/F and 17/F, Hantang Building, OCT, Nanshan District, Shenzhen City, Guangdong Province.

These financial statements were approved for issue by the Board of Directors of the Company on August 21, 2026.

2. Scope of the consolidated financial statements

As of June 30, 2026, the subsidiaries in the scope of the consolidated financial statements of the Company are as follows:

Name of subsidiary (enterprise)	Shareholding percentage (%)	Remarks
Shennan Power (Zhongshan) Electric Power Co., Ltd. (hereinafter referred to as "Shennan Power Zhongshan Company")	80.00	
Shenzhen Shennan Power Gas Turbine Engineering Technology Co., Ltd. (hereinafter referred to as "Shennan Power Engineering Company")	100.00	
Shenzhen Shennan Power Environmental Protection Co., Ltd. (hereinafter referred to as "Shennan Power Environmental Protection Company")	100.00	
Shenzhen Xiefu Energy Co., Ltd. (hereinafter referred to as "Xiefu Company")	50.00	
Shenzhen New Power Industrial Co., Ltd. (hereinafter referred to as "New Power Company")	100.00	
Shennan Energy (Singapore) Pte. Ltd. (hereinafter referred to as "Singapore Company")	100.00	
Hong Kong Xingdesheng Co., Ltd. (hereinafter referred to as "Xingdesheng")	100.00	
Shennan Power Xiwan Energy (Zhongshan) Co., Ltd. (hereinafter referred to as "Shennan Power Xiwan Company")	51.00	
Shennan Power Energy Technology (Sichuan) Co., Ltd. (hereinafter referred to as "Energy Technology Company")	75.00	
Shennan Power Zhengmai Energy Technology (Shenzhen) Co., Ltd. (hereinafter referred to as "Shennan Power Zhengmai Energy Company")	51.00	

Note: During the current period, the Company invested and established a controlling subsidiary, Shennan Power Zhengmai Energy Technology (Shenzhen) Co., Ltd., which completed its industrial and commercial registration on May 22, 2026, and has been stated as the scope of the Company's consolidated financial statements since then.

IV. Basis for preparation of financial statements

The Company prepares these Financial Statements based on the assumption of going concern, according to actual transactions and events, in accordance with the *Accounting Standards for Business Enterprises - Basic Standard* and other specific accounting standards, application guidance for accounting standards for business enterprises, interpretations of accounting standards for business enterprises and other relevant regulations promulgated by the Ministry of Finance (hereinafter collectively referred to as the "Accounting Standards for Business Enterprises"), and the disclosure-related provisions of the *Rules for the Information Disclosure and Compilation of Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports issued by the China Securities Regulatory Commission*.

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

V. Significant accounting policies and accounting estimates

Based on actual production and operation characteristices, the Company has formulated a number of specific accounting policies and accounting estimates in accordance with the relevant accounting standards for business enterprises, mainly reflected in the provision for bad debts of receivables (see Section VIII, V, 11 (4)), inventories (see Section VIII, V, 12), fixed assets (see Section VIII, V, 18), long-term deferred expenses (see Section VIII, V, 24), revenue recognition and measurement (see Section VIII, V, 28), specific reserve (see Section VIII, V, 32), etc.

1. Statement of compliance with the Accounting Standards for Business Enterprises

These Financial Statements comply with the requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the consolidated and parent company's financial position of the Company as of June 30, 2026, as well as the consolidated and parent company's operating results and cash flows for the half year of 2026 and other relevant information.

2. Accounting Period

The accounting year starts from January 1 to December 31 on the Gregorian calendar.

3. Operating cycle

The operating cycle of the Company is 12 months, which serves as the criterion for classifying the liquidity of assets and liabilities.

4. Recording currency

The Company uses RMB as the recording currency.

5. Determination methods and selection basis for materiality threshold

Item	Importance criteria
Significant individually bad debt provisioned receivables	Original carrying amount is greater than RMB 1,000,000.
Recovery or reversal of provision for bad debts of significant accounts receivable in the current period	Amount of recovery or reversal of bad debts for a single account receivable exceeds RMB 1,000,000.
Write-off of significant receivables	Write-off amount of a single account receivable exceeds RMB 1,000,000.
Significant construction in progress	Single amount is greater than RMB 5,000,000.
Significant provisions	Single amount is greater than RMB 5,000,000.
Significant joint ventures and associates	The carrying amount of long-term equity investment in a single joint venture or associate accounts for 5% or more of the consolidated total assets.

6. Accounting treatments for business combinations under common control and those not under common control

(1) Business combinations under common control

A business combination involving entities 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 combination, and that control is not transitory.

The assets and liabilities (including goodwill arising from the acquisition of the acquiree by the ultimate controller) acquired by the Company as the merging party in a business combination involving enterprises under common control are measured at the carrying amounts of the acquiree in the consolidated financial statements of the ultimate controller at the date of combination. The difference between the carrying amount of the net assets acquired in the combination and the carrying amount of the consideration paid for the combination (or the total par value of shares issued) is adjusted to the capital premium in the capital reserve; if the capital premium in the capital reserve is insufficient to be offset, the retained earnings shall be adjusted accordingly.

(2) Business combinations not under common control

A business combination involving entities 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 combination.

The identifiable assets, liabilities, and contingent liabilities of the acquiree acquired by the Company as the acquirer in a business combination not involving enterprises under common control are measured at fair value on the date of acquisition. The difference by which the combination cost exceeds the fair value share of the identifiable net assets of the acquiree acquired in the combination is recognized as goodwill. If the combination costs are less than the fair value share of the identifiable net assets of the acquiree acquired in the combination, the fair value of the identifiable assets, liabilities and contingent liabilities acquired in the combination, as well as the combination cost, shall be reviewed first. If, after the review, the combination costs remain less than the fair value of the identifiable net assets of the acquiree acquired in the combination, the difference shall be stated as the current non-operating revenue of the combination.

Directly related expenses incurred for the business combination are recorded in the current gains/losses when incurred; transaction expenses for issuing equity securities or debt securities for the business combination are stated as the initial recognition amount of the equity securities or debt securities.

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

(1) Scope of Consolidation

The scope of consolidation for the consolidated financial statements of the Company is based on the control, including the Company and all subsidiaries controlled by the Company. The criteria for the Company to judge control are that the Company has the power over the investee, enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use its power over the investee to affect its return amount.

(2) Procedures of Consolidation

The Company prepares consolidated financial statements based on the financial statements of the Company and its subsidiaries, and according to other relevant information. When preparing the consolidated financial statements, the Company treats the entire group as an accounting entity and reflects the overall financial position, operating results and cash flows of the group in accordance with the recognition, measurement, and presentation requirements of the relevant accounting standards for business enterprises and the unified accounting policies.

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

The portion of a subsidiary's equity, current net gains/losses, and current comprehensive income attributable to minority shareholders is presented separately under the equity item in the consolidated balance sheet, the net profit item in the consolidated income statement, and the total comprehensive income item, respectively. If the current losses shared by the minority shareholders of a subsidiary exceed the minority shareholders' share of the subsidiary's beginning equity, the balance offsets the minority shareholders' equity.

1) Addition of subsidiaries or businesses

During the Reporting Period, if a subsidiary or business is added due to a business combination under common control, the beginning balance of the consolidated balance sheet is adjusted; the income, expenses, and profits of the subsidiary or business from the beginning of combination to the end of the Reporting Period are stated as the consolidated income statement; the cash flows of the subsidiary or business from the beginning of combination to the end of the Reporting Period are stated as the consolidated cash flow statement, and the relevant items of the comparative statements are adjusted simultaneously, as if the consolidated reporting entity has existed since the time when ultimate controlling party starts to exercise control.

If the Company can exercise control over an investee under common control due to additional investment or other reasons, adjustments are made as if the parties involved in the combination existed in current status when the ultimate controlling party began to exercise control. The relevant gains/losses, other comprehensive income, and other changes in net assets recognized from the later of the date of obtaining the original equity and the date when the combining party and the combined party are under common control to the combination date for the equity investment held before obtaining control of the combined party, reduce the beginning retained earnings or current gains/losses during the comparative statement period respectively.

During the Reporting Period, if a subsidiary or business is added due to a business combination not under common control, the beginning balance of the consolidated balance sheet is not adjusted; the income, expenses, and profits of the subsidiary or business from the acquisition date to the end of the reporting period are stated as the consolidated income statement; the cash flows of the subsidiary or business from the acquisition date to the end of the Reporting Period are stated as the consolidated cash flow statement.

If the Company can exercise control over an investee not under common control due to additional investment or other reasons, the equity of the acquiree held before the acquisition date is remeasured by the Company at the fair value of the equity at the acquisition date, and the difference between the fair value and its book value is stated as the current investment income. If the equity of the acquiree held before the acquisition date involves other comprehensive income under the equity method and other changes in owners' equity other than net gains/losses, other comprehensive income, and profit distribution, the other related comprehensive income and other changes in owners' equity are transferred to the current investment income to which the acquisition date belongs, except for other comprehensive income arising from the investee's remeasurement of changes in the net liabilities or net assets of the defined benefit plan.

2) Disposal of subsidiaries or businesses

□ General treatment method

During the Reporting Period, if the Company disposes of a subsidiary or business, the income, expenses, and profits of the subsidiary or business from the beginning of the period to the disposal date are stated as the consolidated income statement; the cash flows of the subsidiary or business from the beginning of the period to the disposal date are stated as the consolidated cash flow statement.

When control over an investee is lost due to the disposal of a portion of an equity investment or other reasons, the remaining equity investment after disposal is remeasured by the Company at its fair value on the date of loss of control.

The difference between the sum of the consideration received for the disposal of the equity and the fair value of the remaining equity, less the sum of the share of net assets and goodwill of the original subsidiary calculated continuously from the acquisition date or combination date based on the original shareholding ratio, is stated as the investment income in the period when control is lost. Other comprehensive income or other changes in owners' equity other than net gains/losses, other comprehensive income, and profit distribution related to the equity investment in the original subsidiary are transferred to current investment income when control is lost, except for other comprehensive income arising from the investee's remeasurement of changes in the net liabilities or net assets of the defined benefit plan.

If the Company's shareholding ratio decreases due to capital injection by other investors into the subsidiary, resulting in loss of control, accounting treatment is performed in accordance with the above-mentioned principles.

□ Disposal of subsidiaries in stages

If the terms, conditions, and economic effects of multiple transactions involving the disposal of equity in a subsidiary in stages until loss of control meet one or more of the following conditions, it usually indicates that the multiple transactions are accounted for as a package of transactions:

a) The transactions are entered into either simultaneously or in contemplation of one another;

b) The transactions as a whole are necessary to achieve a complete commercial outcome;

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

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

If the transactions involving the disposal of equity investment in a subsidiary until loss of control belong to a package of transactions, the Company shall account for the transactions as a single transaction involving the disposal of a subsidiary and loss of control; however, the difference between the disposal consideration for each disposal before the loss of control and the share of the subsidiary's net assets corresponding to the disposed investment is recognized as other comprehensive income in the consolidated financial statements, and is transferred to the profit or loss of the period of losing control.

If the transactions involving the disposal of equity investment in a subsidiary until loss of control do not belong to a package of transactions, prior to the loss of control, accounting treatment is conducted in accordance with the policies on the partial disposal of equity investment in a subsidiary without loss of control; upon the loss of control, accounting treatment is conducted in accordance with the general treatment method for the disposal of a subsidiary.

3) Purchase of minority shareholders' equity in a subsidiary

The difference between the newly acquired long-term equity investment due to the purchase of minority equity by the Company and the share of net assets of the subsidiary calculated continuously from the acquisition date (or combination date) based on the newly added shareholding ratio, the share premium in the capital reserve under the consolidated balance sheet is adjusted. If the share premium in the capital reserve is insufficient to absorb the difference, retained earnings are adjusted.

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

The difference between the disposal proceeds obtained from the partial disposal of a long-term equity investment in a subsidiary without losing control and the share of the subsidiary's net assets calculated continuously from the acquisition date or combination date corresponding to the disposed long-term equity investment, the share premium in the capital reserve under the consolidated balance sheet is adjusted. If the share premium in the capital reserve is insufficient to absorb the difference, retained earnings are adjusted.

8. Classification of joint venture arrangements and accounting treatments for joint operations

When the Company is a joint venturer in a joint arrangement, enjoys the assets related to the arrangement, and bears the liabilities related to the arrangement, a joint operation constitutes.

The Company recognizes the following items related to its share of interests in a joint operation and accounts for the same in accordance with the provisions of relevant accounting standards for business enterprises:

(1) Recognize the assets held separately by the Company and the jointly held assets according to the Company's share;

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

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

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

(5) Recognize individually incurred expenses and expenses of the joint operations based on the Company's share.

For the accounting policies of the Company's investments in joint ventures, please refer to Section VIII, V, (16) Long-term Equity Investments.

9. Determination criteria for cash and cash equivalents

Cash in the Company's cash flow statement refers to cash on hand and deposits that can be readily drawn on demand. Cash equivalents in the cash flow statement refers to the investments with a holding period of no more than 3 months that are highly liquid, readily convertible to known amounts of cash, and subject to an insignificant risk of changes in value.

10. Foreign currency transactions and translation of foreign currency statements

（1） **Foreign Currency Transaction**

Foreign currency transactions of the Company are converted into the functional currency at the spot exchange rate on the transaction date at initial recognition. On the balance sheet date, monetary items denominated in foreign currencies are converted into the functional currency at the spot exchange rate on the balance sheet date. The resulting exchange differences are recognized directly in gains/losses for the current period, except for exchange differences arising from specific foreign currency borrowings for the construction or production of assets qualifying for capitalization, which are treated according to the principle of capitalization.

（2） **Translation of Foreign Currency Financial Statements**

When preparing consolidated financial statements, the Company converts the financial statements of overseas operations into RMB., among which assets and liabilities in the foreign currency balance sheet are converted at the spot exchange rate on the balance sheet date; shareholders' equity items, except for "undistributed profits", are converted at the spot exchange rate at the time of the transaction; income and expense items in the income statement are converted at the spot exchange rate on the transaction date. Upon disposal of an overseas operation, the exchange differences arising from the translation of foreign currency financial statements related to the overseas operation are transferred from shareholders' equity to profit or loss for the period of disposal. Cash flows in foreign currency are converted at the spot exchange rate on the date the cash flows occur. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

11. Financial instruments

（1） Recognition and Derecognition of Financial Instruments

The Company recognizes financial assets or financial liabilities when it becomes a party to financial instruments contracts.

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

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference recognized in the gains/losses for the current period.

Purchases or sales of financial assets in a regular manner are recognized and derecognized by accounting method at the transaction date. The transaction date refers to the date on which the Company commits to purchase or sell the financial asset.

（2） Classification and measurement of financial assets

At initial recognition, the Company's financial assets are classified into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through gains/losses for the current period, based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The Company reclassifies all affected financial assets only when it changes its business model for managing financial assets.

In determining the business model, the Company considers how the performance of the financial assets is evaluated and reported to key senior executives, the risks affecting the performance of the financial assets and how they are managed, and how relevant business managers are compensated. In evaluating whether the objective is to collect contractual cash flows, the Company analyzes and judges the reasons for, timing, frequency, and value of sales before the maturity date of the financial assets.

Financial assets are initially measured at fair value, while accounts receivable or notes receivable arising from the sale of goods or provision of services that do not contain a significant financing component or do not consider financing components not exceeding one year are initially measured at the transaction price.

For financial assets measured at fair value through gains/losses for the current period, related transaction costs are directly recognized in the gains/losses for the current period. For other categories of financial assets, related transaction costs are stated as their initially recognized amount.

The subsequent measurement of financial assets depends on their classification.

1) Financial assets measured at amortized cost

Financial assets are classified as those measured at amortized cost if both of the following conditions are met: □ The business model for managing the financial asset is to collect contractual cash flows; □ the contract terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such financial assets are recognized for interest income by the effective interest method, and the gains/losses arising from their derecognition, modification, or impairment are recognized gains/losses for the current period. The Company's financial assets in this category mainly include monetary funds, accounts receivable, notes receivable, and other receivables.

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

Financial assets are classified as those measured at fair value through other comprehensive income if both of the following conditions are met: □ The Company's business model for managing the financial asset aims to collect contractual cash flows and sell the financial asset; □ the contract terms of the financial asset specify that the cash flows generated on the specific date that are solely payments of principal and interest on the principal amount outstanding. Such financial assets are recognized for interest income by the effective interest method. Except for interest income, impairment losses, and exchange differences which are recognized in profit or loss for the current period, other changes in fair value are recognized in other comprehensive income. Upon derecognition of the financial asset, the cumulative gains/losses previously recognized in other comprehensive income are reclassified from other comprehensive income to gains/losses for the current period.

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

income

The Company irrevocably designates certain non-trading equity instrument investments as financial assets measured at fair value through other comprehensive income. The Company only recognizes relevant dividend income (except for those clearly recovered as part of the investment costs) in the gains/losses for the current period, and subsequent changes in fair value are recognized in other comprehensive income without the need for impairment provision. Upon derecognition of the financial asset, the cumulative gains/losses previously recognized in other comprehensive income are reclassified from other comprehensive income to retained earnings. The Company's financial assets in this category are investments in other equity instruments.

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

Except for the financial assets classified as those measured at amortized cost and those classified or designated as financial assets measured at fair value through other comprehensive income as mentioned above, the Company classifies the same as financial assets measured at fair value through current gains/losses. Such financial assets are subsequently measured at fair value, and all changes in fair value are stated as the current gains/losses, except those related to hedge accounting. The financial assets classified in this category by the Company mainly include trading financial assets.

The contingent consideration recognized by the Company in business merger not under the same control which constitutes a financial asset is classified as the financial assets measured at fair value through current gains/losses.

（3） **Classification, recognition and measurement of financial liabilities**

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

Financial liabilities measured at fair value through current gains/losses include trading financial liabilities and derivative financial liabilities, which are initially measured at fair value, and related transaction costs are stated as the current gains/losses. Such financial liabilities are subsequently measured at fair value, and changes in fair value are stated as the current gains/losses.

Upon derecognition, the difference between its book value and the consideration paid is stated as the current gains/losses.

2) Financial liabilities measured at amortized costs

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

Interest calculated using the effective interest method during the holding period is stated as current gains/losses.

Upon derecognition, the difference between the consideration paid and the book value of the financial liability is stated as current gains/losses.

（4） **Impairment of financial instruments**

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

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

For all notes receivable, contract assets, accounts receivable, and lease receivables generated from daily operations such as sale of goods and provision of services regulated by the income standard, the Company uses a simplified method to measure the loss provision based on the expected credit loss over the entire lifetime; for other notes receivable, receivables financing, and other receivables divided into portfolios, the Company calculates the expected credit loss through the exposure at default and the expected credit loss rate within the next 12 months or over the entire lifetime, by referring to historical credit loss experience, current conditions, and forecasts of future economic conditions.

Except for the other various receivables and temporary payments adopting the simplified measurement method and purchased or originated credit-impaired financial assets mentioned above, the Company assesses whether the credit risk of relevant financial instruments has increased significantly since initial recognition on the balance sheet date, and measures their loss provisions, recognizes expected credit losses and changes.

1) Recognition criteria and withdrawal methods for bad debt provision of receivables with significant single amount and individual withdrawal for bad debts

The Company conducts an impairment test separately on receivables with a significant single amount and also financial assets without impairment, including test in a portfolio of financial assets with similar credit risk characteristics. Receivables for which impairment losses have been recognized in a single test are no longer stated as a portfolio of receivables with similar credit risk characteristics for impairment testing.

2) Receivables with insignificant single amount and individual withdrawl for bad debts

For receivables with an insignificant single amount but possessing the following characteristics, such as receivables that fall in disputes with the counterparty or are involved in litigation or arbitration; receivables for which contact with the debtor has been lost and there is no third-party recovering person; receivables with obvious indications that the debtor is likely unable to fulfill the repayment obligation, etc., a separate impairment test is conducted. If there is an objective evidence that impairment occurs, an impairment loss is recognized and an impairment provision is accrued based on the difference by which the present value of its future cash flows is lower than its book value.

3) Basis for determination and calculation method of receivables calculating expected credit losses by credit risk portfolio

If sufficient evidence of expected credit loss cannot be evaluated at a reasonable cost by individual instruments, the

Company refers to historical credit loss experience, current conditions, and judgments on future economic conditions, divides notes receivable, accounts receivable, other receivables, and contract assets into several portfolios based on credit risk characteristics, and calculates expected credit losses on a portfolio basis.

Name	Basis
Portfolio 1	Bank Acceptance Bills Portfolio
Portfolio 2	Receivables from Power Production and Sales
Portfolio 3	Receivables from Comprehensive Energy Services
Portfolio 4	Accounts Receivable, other Receivables and Contract Assets Portfolio of Related Parties within the Consolidation
Portfolio 5	Margin, Deposit and Petty Cash Portfolio
Portfolio 6	Export Tax Rebate, Value-added Tax Refund upon Collection and other Taxes Portfolio
Portfolio 7	Other Receivables and Temporary Payments Excluding the above Portfolios

4) Write-off of provision for impairment

Where the Company no longer reasonably expects to recover the contractual cash flows of a financial asset in whole or in part, the Company directly writes down the book balance of the financial asset. If the written-down financial asset is subsequently recovered, it is recognized as a reversal of impairment loss in gains or losses for the period of recovery.

（5） Recognition and measurement of financial asset transfers

For any transaction on financial asset transfer, if the Company has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee, the financial asset is derecognized; if substantially all the risks and rewards of ownership of the financial asset are retained, the financial asset is not derecognized; if the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and has relinquished control of the financial asset, the financial asset is derecognized and the resulting assets and liabilities are recognized; if the control of the financial asset is not relinquished, the relevant financial asset is recognized to the extent of its continuing involvement in the transferred financial asset, and the relevant liabilities are recognized accordingly.

If the transfer of a financial asset in its entirety satisfies the conditions for derecognition, the difference between the sum of the consideration received for the transfer and the amount of the cumulative changes in fair value previously recognized in other comprehensive income corresponding to the derecognized part (where the transferred financial asset simultaneously meets the following conditions: □ the Company's business model for managing the financial asset aims to collect contractual cash flows and sell the financial asset; □ the contractual terms of the financial asset stipulate that the cash flows generated on specific dates are solely payments of principal and interest on the outstanding principal amount) and the book value of the transferred financial asset at the date of derecognition is recognized in the current gains/losses.

If the transfer of a financial asset in part satisfies the conditions for derecognition, the entire book value of the transferred financial asset is allocated between the derecognized part and the non-derecognized part based on their respective relative fair values, and the difference between the sum of the consideration received for the transfer and the amount corresponding to the derecognized part of the cumulative changes in fair value previously recognized in other comprehensive income that shall be allocated to the derecognized part (where the transferred financial asset simultaneously meets the following conditions: □ the Company's business model for managing the financial asset aims to collect contractual cash flows and sell the financial asset; □ the contractual terms of the financial asset stipulate that the cash flows generated on specific dates are solely payments of principal and interest on the outstanding principal amount) and the allocated overall book value of the aforementioned financial asset is recognized in the current gains/losses.

Where continuing involvement is achieved by providing a financial guarantee for the transferred financial asset, the asset resulting from continuing involvement is recognized at the lower of the book value of the financial asset and the amount of financial guarantee. The amount of financial guarantee refers to the maximum amount of the consideration received that the Company shall be required to repay.

（6） Conditions for Derecognition of Financial Liabilities

If the present obligations of a financial liability are fully or partially discharged, the financial liability or the respective part thereof is derecognized. If the Company enters into an agreement with a creditor to replace an existing financial liability with a new one, and the contractual terms of the new financial liability are substantially different from those of the existing financial liability, the existing financial liability is derecognized, and the new financial liability is recognized at the same time.

If the Company makes substantial modifications to the contractual terms of an existing financial liability in whole or in part, the existing financial liability or a part thereof is derecognized, and the financial liability with modified terms is recognized as a new one.

Upon derecognition of a financial liability in full or in part, the difference between the book value of the derecognized financial liability and the consideration paid (including any non-cash assets transferred out or new financial liabilities assumed) is recognized in the current gains/losses.

If the Company repurchases in part a financial liability, the book value of the financial liability as a whole is allocated on the repurchase date based on the relative fair values of the part that continues to be recognized and the derecognized. The difference between the book value allocated to the derecognized part and the consideration paid (including any non-cash assets transferred out or new financial liabilities assumed) is recognized in the current gains/losses.

（7） Methods to determine the fair value of financial assets and liabilities

For any financial instrument on the active market, its fair value is determined based on the quoted prices in the active market. For any financial instrument not on an active market, valuation techniques are used to determine its fair value. In valuation, the Company uses such techniques that are applicable in the current circumstances and supported by sufficient available data and other information, selects inputs that are consistent with the characteristics of the asset or liability considered by market participants in transactions involving the relevant asset or liability, and prioritizes the use of relevant observable inputs. Unobservable inputs are used only when relevant observable inputs are unavailable or impractical to obtain.

（8） The distinction between financial liabilities and equity instruments and related treatment methods

The Company distinguishes financial liabilities from equity instruments in the following principles: 1) If the Company cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or another financial asset, that contractual obligation meets the definition of a financial liability. Although some financial instruments do not explicitly include terms and conditions imposing an obligation to deliver cash or another financial asset, they may indirectly create a contractual obligation through other terms and conditions. 2) If a financial instrument must or may be settled in any of equity instruments owned by the Company, it is necessary to consider whether the instrument owned by the Company used for the settlement of such instrument serves as a substitute for cash or other financial assets, or is intended to give the holder of the instrument a residual interest in the assets of the issuer after deduction of all its liabilities. In the former case, the instrument is a financial liability of the issuer; while in the latter case, the instrument is an equity instrument of the issuer. In certain circumstances, a financial instrument contract requires that the Company must or may settle the financial instrument using its own equity instrument, where the amount of the contractual right or obligation is equal to the number of its own equity instruments to be obtained or delivered multiplied by their fair value at settlement. Whether the amount of the contractual right or obligation is fixed, or fluctuates entirely or partially based on changes in variables other than the market price of the equity instruments owned by the Company (such as interest rates, the price of a certain commodity, or the price of a certain financial instrument), the contract is classified as a financial liability.

In classifying the financial instruments (or components thereof) in the consolidated financial statements, the Company considers all terms and conditions agreed upon between members of the Company and the holders of the financial instruments. If the Company as a whole assumes an obligation due to the instrument to deliver cash, other financial assets, or to settle in any other way that causes the instrument to become a financial liability, the instrument shall be classified as a financial liability.

12. Inventories

(1) Classification of inventories

The Company is mainly engaged in power production and sales, for which purpose its inventories are mainly materials and supplies consumed during production or the provision of services, including fuel, raw materials, spare parts, and maintenance equipment.

(2) Pricing method of inventories dispatched

Inventories are initially measured at cost upon acquisition and are valued by the specific identification method upon issuance.

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

For finished goods, materials for sale, and other commodity inventories directly for sale, the net realizable value is determined in the normal course of production and operation by the estimated selling price of the inventory less the estimated selling expenses and related taxes; for material inventories requiring processing, the net realizable value is determined in the normal course of production and operation by the estimated selling price of the finished products less the estimated costs to be incurred upon completion, estimated selling expenses, and related taxes;

For inventories held to execute sales contracts or service contracts, the net realizable value is calculated based on the contract price; if the quantity of inventories held exceeds the quantity ordered in the sales contracts, the net realizable value of the excess inventories is calculated based on the general sales price.

By the end of the period, the inventory depreciation provision is withdrawn based on individual inventory items. However, for inventories with a large quantity and a low unit price, the inventory depreciation provision is withdrawn based on inventory categories; for inventories related to product series produced and sold in the same region, having the same or similar final uses or purposes, and difficult to measure separately from other items, the inventory depreciation provision is withdrawn on a consolidated basis.

After the withdrawal of the depreciation reserves for inventories, if the factors, which cause any write-down of the inventories, have disappeared, causing the net realizable value of inventories is higher than its book value; the amount of write-down shall be reversed from the original amount of depreciation reserve for inventories. The reversed amount shall be included in the profits and losses of the current period.

(4) Inventory system of inventories

The perpetual inventory system is adopted.

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

Low-value consumables are amortized by the one-off amortization method, and packaging materials are amortized by the one-off amortization method.

13. Contract assets and liabilities

（1） Contract assets

Contract assets refer to the Company's right to consideration in exchange for goods that has been transferred to customers, where such right is conditioned on factors other than the passage of time. The Company's unconditional right to receive consideration from the customers (i.e., depending solely on the passage of time) is separately presented as receivables.

For the determination method and accounting treatment method of expected credit losses on contract assets, please refer to Section VIII, Item V, (11, 4) Accounting Treatment of Accounts Receivable in Impairment of Financial Instruments.

（2） Contract liabilities

Liabilities of contracts refer to the Company's obligation to transfer goods to customers due to the consideration received or receivable from customers.

Contract assets and contract liabilities under the same contract are presented by their net amounts.

14. Contract costs

The Company's assets related to contract costs include the costs for contract performance and contract acquisition. Based on the liquidity, contract performance costs are presented in inventories and other non-current assets, while contract acquisition costs are presented in other current assets and other non-current assets, respectively.

(1) Contract performance costs

Contract performance costs, namely the costs incurred by the Company to perform a contract, which fall out of the scope of relevant accounting standards such as inventories, fixed assets, or intangible assets and satisfy all the following conditions, are recognized as asset as contract performance costs: Such costs are directly related to a current or expected contract, including direct labor, direct materials, manufacturing overheads (or similar costs), costs explicitly borne by the customer, and other costs incurred solely for the contract; the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and the costs are expected to be recovered.

(2) Contract acquisition costs

If the incremental costs (i.e., costs that would not be incurred if the contract fails to be obtained) incurred by the Company to obtain a contract are expected to be recovered, they are recognized as assets and amortized on the same basis as the recognition of revenue from goods or services related to the assets, and stated as the current gains/losses. If the amortization period of the assets does not exceed one year, they are stated as the current gains/losses when incurred. Other expenditures incurred by the Company to obtain a contract are stated as the current gains/losses when incurred, except those explicitly borne by the customer.

(3) Impairment of contract costs

If the carrying amount of an asset related to contract cost is higher than the difference between the following two items, the Company makes an impairment provision for the excess and recognizes it as an asset impairment loss: □ The remaining consideration that the enterprise expects to receive in exchange for the goods related to the asset; □ the cost estimated to be incurred to transfer the related goods. After the impairment provision is made, if the factors of impairment in previous periods change, resulting in the difference between the above two items higher than the carrying amount of the asset, the previously recognized asset impairment provision is reversed and stated as the current gains/losses, while the carrying amount of the asset after reversal shall not exceed the carrying amount of the asset on the reversal date assuming no impairment provision is made.

15. Assets held for sale

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

1) They are available for immediate sale in their present condition, subject only to terms that are usual and customary for sales of such assets or disposal groups in similar transactions;

2) The sale is highly probable, that is the Company has resolved on a sale plan and obtained a firm purchase commitment, and the sale is expected to be completed within one year. Where relevant regulations require approval from the relevant competent authority or regulator of the Company before the sale can be made, approval has been obtained.

(2) The Company separates a component that can be separately distinguished and meets one of the following conditions, and that component has been disposed of or classified into the held-for-sale category:

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

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

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

(3) Presentation method

The Company presents the non-current assets held for sale or assets in the disposal group held for sale separately from other assets in the balance sheet, and presents the liabilities in the disposal group held for sale separately from other liabilities. The non-current assets held for sale or assets in the disposal group held for sale and the liabilities in the disposal group held for sale shall not be offset against each other, and shall be presented as current assets and current liabilities respectively. The Company presents the gains/losses from continuing operations and those from discontinued operations separately in the income statement. For non-current assets or disposal groups held for sale that fail to meet the definition of discontinued operations, their impairment losses, reversal amounts, and disposal gains/losses shall be presented as gains/losses from continuing operations. Operating gains/losses such as impairment losses and reversal amounts, and disposal gains/losses of discontinued operations shall be presented as gains/losses from discontinued operations.

16. Long-term equity investments

The Company's long-term equity investments mainly consist of investments in subsidiaries, associated enterprises, and joint ventures.

(1) Judgment of Significant Influence and Common Control

The Company's equity investments that have a significant influence on the investee are investments in associated enterprises. Significant influence refers to the power of the Company to participate in decisions on an investee's financial and operating policies, but not to control or commonly control the formation of those policies.

The Company's equity investments in an investee over which it exercises common control with other joint venturers and has rights to the net assets of the investee are investments in joint ventures. Common control refers to the shared control over an arrangement in accordance with the relevant agreement, and decisions on relevant activities of the arrangement must be made with the unanimous consent of the parties sharing the control. The Company's judgment of common control is based on the collective control of the arrangement by all parties or a combination of parties, and decisions on relevant activities of the arrangement must be unanimously agreed upon by the parties that collectively control the arrangement.

(2) Accounting Treatment Method

The Company initially measures the acquired long-term equity investments at the initial investment cost.

For long-term equity investments acquired through business merger involving enterprises under common control, the share of the book value of the merged party's net assets in the consolidated financial statements of the ultimate controlling party on the date of merger is taken as the initial investment cost; if the book value of the merged party's net assets on the date of merger is negative, the initial investment cost is determined as zero.

For long-term equity investment acquired through business combination not under the same control, the initial investment cost shall be the consolidation cost.

Except for long-term equity investments formed by business merger, for long-term equity investments acquired by cash payment, the actual purchase price paid and the expenses, taxes, and other necessary expenditures directly related to the acquisition of the long-term equity investments are taken as the initial investment cost; for long-term equity investments acquired by issuing equity securities, the fair value of the issued equity securities is taken as the investment cost.

The Company's investments in subsidiaries are accounted for by the cost method in its separate financial statements. When the cost method is adopted, long-term equity investments are valued at the initial investment cost. When additional investments are made, the book value of the long-term equity investment cost is increased along with the fair value of the costs paid for the additional investment and the related transaction costs incurred. Cash dividends or profits declared and distributed by the investee are recognized as current investment income according to the entitled amount.

The Company's investments in joint ventures and associated enterprises are accounted for by the equity method. When the equity method is adopted, if the initial investment cost of the long-term equity investment is greater than the share of the fair value of the investee's identifiable net assets to which the Company is entitled at the time of investment, the book value of the long-term equity investment is not adjusted; if the initial investment cost of the long-term equity investment is less than the share of the fair value of the investee's identifiable net assets to which the Company is entitled at the time of investment, the difference is adjusted to increase the book value of the long-term equity investment and stated as the gains/losses for the period in which the investment is acquired.

For long-term equity investments subsequently measured by the equity method, during the holding period, the book value of the long-term equity investment is increased or decreased in response to the changes to the owners' equity of the investee. In recognizing the share of the investee's net profit or loss to which the Company is entitled, the net profit of the investee is adjusted and recognized based on the fair value of the investee's identifiable assets at the acquisition of the investment, in accordance with the Company's accounting policies and accounting periods, and following the offset of unrealized internal transaction gains/losses generated from transactions that do not constitute a business with associated enterprises and joint ventures attributable to the Company according to the entitled proportion (internal transaction losses belonging to asset impairment losses are fully recognized). The net loss incurred by the investee recognized by the Company is limited to reducing the book value of the long-term equity investment and other long-term equities that in substance constitute a net investment in the investee to zero, except where the Company has an obligation to bear additional losses.

For the long-term equity investment with equity method for subsequent measurement, the book value of the long-term equity investment will increase or decrease with the change of the owner's equity of the invested entity.

For long-term equity investments accounted for by the equity method, other related comprehensive income originally accounted for by the equity method is treated on the same basis as if the investee had directly disposed of related assets or liabilities when the equity method is terminated, and the owners' equity recognized due to changes in other owners' equity of the investee other than net gains/losses, other comprehensive income, and profit distribution is fully transferred to current investment income when the equity method is terminated.

If the remaining equity after the disposal of partial equity is still accounted for by the equity method, the other related comprehensive income originally accounted for by the equity method is treated on the same basis as if the investee had directly disposed of related assets or liabilities and carried forward proportionately, and the owners' equity recognized due to changes in other owners' equity of the investee other than net gains/losses, other comprehensive income, and profit distribution is carried forward proportionately to current investment income.

If the common control or significant influence over an investee is lost due to the disposal of a part of equity, the remaining equity after disposal is recognized as a financial asset, and the difference between the fair value and the book value of the remaining equity on the date of loss of common control or significant influence is stated as the current gains/losses.

If the control over an investee is lost due to the disposal of long-term equity investments in part, and the remaining equity after disposal may help exercise common control or exert significant influence over the investee, it is instead accounted for by the equity method, the difference between the book value of the disposed equity and the disposal consideration is stated as investment income, and the remaining equity is adjusted as if it had been accounted for by the equity method since its acquisition; if the remaining equity after disposal cannot help exercise common control or exert significant influence over the investee, it is recognized as a financial asset, the difference between the book value of the disposed equity and the disposal consideration is stated as investment income, and the difference between the fair value and the book value of the remaining equity on the date of loss of control is stated as the current gains/losses.

For all transactions involving the disposal of equity by stage until loss of control, if they fall out of the package of transactions, each transaction is accounted for separately; if they fall in the package, each transaction is accounted for as a single transaction involving the disposal of a subsidiary and loss of control. The difference between the disposal consideration for each transaction before the loss of control and the book value of the long-term equity investment corresponding to the disposed equity is recognized as other comprehensive income and transferred to the gains/losses of the period in which control is lost when control is lost.

17. Investment properties

An investment property is real estate property purchased with the intention of earning a return on the investment either through rental income, the future resale of the property, or both, including leased land use rights, land use rights held and prepared for transfer after appreciation, and leased buildings (including buildings built or developed for lease after completion and buildings under construction or development for lease in the future).

The Company measures existing investment properties by the cost model. For investment property buildings for lease measured by the cost model, the same depreciation policy as the Company's fixed assets is adopted, and land use rights for lease are executed according to the same amortization policy as intangible assets.

18. Fixed assets

(1) Recognition criteria for fixed assets

The Company's fixed assets are tangible assets held for commodity manufacturing, labor provisions, leasing, or management with a service life exceeding one year.

Fixed assets are recognized if it is likely that the economic benefits associated therewith might flow to the Company and their costs can be reliably measured. The Company's fixed assets include houses and buildings, machinery and equipment, electronic equipment, transportation equipment, office equipment, etc.

(2) Depreciation methods

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

The depreciation method, service life, residual value rate, and annual depreciation rate of various fixed assets are as follows:

Type	Depreciation method	Depreciation period (year)	Residual value rate (%)	Annual depreciation rate (%)
Housing and building	Straight-line depreciation method	20 years	0-10	4.5-5
Housing decoration	Straight-line depreciation method	10 years	0-5	9.5-10
Machinery and equipment - Gas turbine generator sets	Unit-of-production method	-	0-10	-
Machinery and equipment (excluding gas turbine generator sets)	Straight-line depreciation method	10-20 years	0-5	4.75-9.50
Means of transportation	Straight-line depreciation method	5 years	0-5	19-20
Electronic equipment	Straight-line depreciation method	5 years	0-5	19-20

Other equipment	Straight-line depreciation method	5 years	0-5	19-20

(3) Subsequent expenditures

Subsequent expenditures on fixed assets refer to the expenditures for renewal, transformation, repair, etc. incurred during the use of fixed assets. Subsequent expenditures such as renewal and transformation of fixed assets that meet the capitalization conditions shall be stated as the cost of fixed assets, and the book value of the replaced part shall be deducted at the same time; repair expenses for fixed assets that do not meet the capitalization conditions shall be stated as current gains/losses when incurred.

19. Construction in progress

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

The Company's construction in progress is classified into capital construction projects, technical transformation projects, comprehensive energy services, informatization construction, etc.

For construction in progress, the necessary expenditures incurred before the asset reaches its intended usable state are recorded as the book value of the fixed asset. If the constructed fixed asset has reached its intended usable state but the final completion settlement has not been handled, it is transferred to fixed assets at the estimated value based on the project budget, cost or actual cost of the project from the date it reaches the intended usable state, and the depreciation of fixed assets is provided in accordance with the Company's depreciation policies for fixed assets. Following the settlement for completion, the original estimated value is adjusted based on the actual cost, while the previously provided depreciation amount is not adjusted.

Construction in progress is transferred to fixed assets upon reaching the intended usable state, with the criteria as follows:

Item	Criteria and timing of transfer to fixed assets
Housing and building	(1) The main construction projects and supporting projects have been substantially completed; (2) the construction project has met the intended design requirements and have been accepted following the inspection by survey, design, construction, supervision and other authorities; (3) the housing and buildings have been accepted upon inspection by external authorities such as fire protection, land and resources, and planning; (4) where the construction project has reached the intended state of use but the final completion settlement has not been handled, it shall be converted into fixed asset at the estimated value based on the actual project cost from the date it reaches the intended state of use.
Machinery equipment	(1) The relevant equipment and other supporting facilities have been installed; (2) the equipment can maintain normal and stable operation for a period of time after commissioning; (3) the production equipment can stably produce qualified products for a period of time; (4) the equipment has been accepted upon inspection by asset management personnel and users.

20. Borrowing costs

(1) Recognition principles of capitalization of borrowing costs

Borrowing costs include borrowing interest, amortization of discount or premium, supporting expenses, and exchange differences arising from borrowings in foreign currency.

Borrowing costs are directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets; other borrowing costs are recognized as expenses in the period in which they are incurred and stated as the current gains/losses.

Assets qualified for capitalization ("qualifying assets") are fixed assets, investment properties, inventories, etc. that necessarily take a substantial period of time to get ready for intended use or sale.

Capitalization of borrowing costs commences when the following three conditions are satisfied at the same time:

1) Expenditures for the asset occur, including expenditures incurred in the form of payment of cash, transfer of non-cash assets or bearing of interest-bearing liabilities for the acquisition, construction or production of a qualifying asset;

2) Borrowing costs have been incurred; and

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

(2) Capitalization period of borrowing costs

The capitalization period refers to the period from the time when the capitalization of borrowing costs commences to the time when it ceases, excluding the period when the capitalization of borrowing costs is suspended.

When the acquired, constructed, or produced assets eligible for capitalization reaches its intended states of use or sale, the capitalization of borrowing costs ceases.

When some projects of the acquired, constructed, or produced qualifying assets are completed separately and can be used individually, the capitalization of borrowing costs for such assets ceases.

If each part of the acquired, constructed, or produced asset is completed separately but can only be used or sold after the entire asset is completed, the capitalization of borrowing costs ceases when the entire asset is completed.

(3) Period of suspended capitalization

If an abnormal interruption occurs during the acquisition, construction, or production of a qualifying asset and the interruption lasts for more than three consecutive months, the capitalization of borrowing costs is suspended; if the interruption is a necessary procedure for the acquired, constructed, or produced qualifying asset to reach its intended state of use and sale, the capitalization of borrowing costs continues. Borrowing costs incurred during the interruption period are recognized in the current gains/losses until the acquisition, construction, or production activities of the asset restart, at which time the capitalization of borrowing costs continues.

(4) Calculation methods for the capitalization rate and capitalized amount of borrowing costs

For specific borrowings obtained for the acquisition, construction, or production of qualifying assets, the capitalized amount of borrowing costs is determined based on the actual borrowing costs incurred for the specific borrowings in the current period, less the interest income from depositing the unused borrowed funds in banks or the investment income from temporary investments.

Where general borrowings are occupied for the acquisition, construction, or production of qualifying assets, the amount of borrowing costs to be capitalized for general borrowings is calculated and determined by multiplying the weighted average of accumulated asset expenditures exceeding the specific borrowings by the capitalization rate of the occupied general borrowings. The capitalization rate is calculated and determined based on the weighted average interest rate of the general borrowings.

21. Right-of-use assets

Except for short-term leases and leases of low-value assets, the Company recognizes right-of-use assets for leases at the lease commencement date. The lease commencement date refers to the date when the lessor starts to provide the leased asset to make it available for use by the Company. Right-of-use assets are initially measured at cost. Such costs include

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

(2) Lease payments made on or before the lease commencement date, less any lease incentives enjoyed (if any);

(3) Initial direct costs incurred by the Company; and

(4) Costs expected to be incurred by the Company for dismantling and removing the leased asset, restoring the site where the leased asset is located, or restoring the leased asset to the condition agreed in the lease terms, excluding the costs incurred for the production of inventories.

The Company calculates the depreciation for right-of-use assets with reference to the depreciation-related provisions under the *Accounting Standard for Business Enterprises No. 4 - Fixed Assets*. If the Company can reasonably determine that the ownership of the leased asset will be obtained at the end of the lease term, the right-of-use asset is depreciated over the remaining service life of the leased asset. If it is impossible to reasonably determine that the ownership of the leased asset will be obtained at the end of the lease term, the right-of-use asset is depreciated over the shorter of the lease term and the remaining service life of the leased asset.

The Company determines whether the right-of-use asset is impaired in accordance with the *Accounting Standard for Business Enterprises No. 8 - Impairment of Assets*, and performs accounting treatment for the identified impairment losses.

22. Intangible assets

Intangible assets include land use rights, patented technologies, software, etc., which are initially measured at actual cost.

(1) Valuation methods for intangible assets

1) Initial measurement of intangible assets

Costs of purchased intangible assets include the purchase price, relevant taxes and fees, and other expenditures directly attributable to causing the asset to its intended use. If the payment for the purchase of an intangible asset is deferred beyond normal credit terms and has a financing nature in substance, the cost of the intangible asset is subject to the present value of the purchase price.

For an intangible asset acquired from a debtor for debt settlement through debt restructuring, its book value is determined based on the fair value of the relinquished debt and other costs such as taxes that are directly attributable to causing the asset to its intended use, and the difference between the fair value and the carrying amount of the relinquished debt is recognized in the current gains/losses.

Provided that the non-monetary asset exchange has commercial substance and the fair values of both the received asset and the surrendered asset can be measured reliably, the book value of the intangible asset received in a non-monetary asset exchange is determined based on the fair value of the surrendered asset, unless there is conclusive evidence that the fair value of the received asset is more reliable. For non-monetary asset exchanges that fall out of the above prerequisites, the carrying amount of the surrendered asset and the relevant taxes and fees payable are taken as the cost of the received intangible asset, and no gains/losses are recognized.

2) Subsequent measurement

The service life of an intangible asset is analyzed and judged upon acquisition.

For an intangible asset with a finite service life, it is amortized on a straight-line basis over the period in which it brings economic benefits to the enterprise; if it is impossible to foresee the period during which the intangible asset will bring economic benefits to the enterprise, it is regarded as an intangible asset with an indefinite service life and is not amortized.

(2) Estimation of the service life of intangible assets with finite service life

Type	Amortization method	Amortization period (years)	Basis
Land use right	Average straight-line method	30-50	Within the validity period of the land ownership certificate
Patented technology	Average straight-line method	10	Patent certificate
Software	Average straight-line method	5	Service life of software

(3) Basis for determining intangible assets with indefinite service life and procedures for reviewing the service life

The service life of an intangible asset with an indefinite service life is reviewed. If there is evidence that the period during which the intangible asset brings economic benefits to the enterprise is foreseeable, its service life is estimated and amortized in accordance with the amortization policy for intangible assets with finite service life.

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

The expenditures of the Company's internal research and development projects are classified into research expenditures and development expenditures.

Research stage: The stage of original and planned investigation and research activities undertaken to acquire and clarify new scientific or technical knowledge.

Development stage: The stage of applying research findings or other knowledge to a plan or design to produce new or substantially improved materials, devices, products, etc., prior to commercial production or use.

Specific criteria for capitalizing expenditures in the development stage

Expenditures in the development stage of an internal research and development project are recognized as intangible assets when all the following conditions are met:

1) It is technically feasible the completion of the intangible asset will make it available for use or sale;

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

3) The means of generating economic benefits by the intangible asset, including the ability to prove that there is a market for the products produced by applying the intangible asset or the intangible asset itself has a market, and, if the intangible asset is to be used internally, the ability to prove its usefulness;

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

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

23. Impairment of long-term assets

Long-term assets such as long-term equity investments, investment properties measured by the cost model, fixed assets, construction in progress, right-of-use assets, and intangible assets with finite service life are tested for impairment if there is any indication of impairment at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, a provision for impairment is made for the difference and recognized as an impairment loss. The recoverable amount is the higher of the fair value of an asset less the costs of disposal and the present value of the expected cash flows of the asset in the future. The provision for asset impairment is calculated and recognized on an individual basis. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs is determined. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill, intangible assets with indefinite service life, and intangible assets not yet available for use are tested for impairment at least at the end of each year.

The Company conducts goodwill impairment testing. The carrying amount of goodwill arising from business merger is allocated to relevant asset groups on a reasonable basis from the acquisition date; if it is difficult to allocate it to relevant asset groups, it is allocated to relevant asset group portfolios. In allocating the carrying amount of goodwill, the Company allocates it based on the relative benefits that the relevant asset groups or portfolios of asset groups can obtain from the synergies of the business merger, and conducts the goodwill impairment testing on such basis.

In testing a relevant asset group or a portfolio of asset groups containing goodwill for impairment, if there is any indication of impairment for the group or the portfolio related to goodwill, such group or portfolio not containing goodwill is tested for impairment first to calculate its recoverable amount, which is compared with the relevant carrying amount to recognize the corresponding impairment loss. Then, the asset group or the portfolio of asset groups containing goodwill is tested for impairment, and the carrying amount of such groups or portfolios (including the allocated carrying amount of goodwill) is compared with its recoverable amount. If the recoverable amount of the relevant group or portfolio is lower than its carrying amount, an impairment loss on goodwill is recognized. Once the above asset impairment loss is recognized, it will not be reversed in subsequent accounting periods.

After the asset impairment loss is determined, recoverable value amounts would not be returned in future.

24. Long-term deferred expenses

(1) Amortization methods

The Company's long-term prepaid expenses include major repair expenditures, renovation costs, etc. Long-term prepaid expenses refer to the expenses that have already been incurred with a benefit period of more than one year (excluding one year). Long-term prepaid expenses are amortized in installments over the benefit period of the expense items. If a long-term prepaid expense item cannot benefit subsequent accounting periods, the unamortized carrying value of the item is fully transferred to the current gains/losses.

The renovation of premises rented under operating leases is recognized as long-term prepaid expenses and amortized over the shorter of the following two periods:

1) The estimated service life of the renovation (the estimated time until the next renovation);

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

Subsequent expenditures that fall out of the recognition criteria for fixed assets, such as major repair expenses, are recognized as long-term prepaid expenses in the year of occurrence and amortized in installments over the benefit period subsequently.

(2) Amortization period

Item	Amortization period
Renovation of leased fixed assets	The shorter of the estimated service life of the renovation and the estimated remaining

Item	Amortization period
	service life of the main structure of the building
Major repair expenditure on fixed assets	Major overhaul cycle of gas generator sets

25. Employee compensation

The employee benefits of the Company include short-term employee remuneration, post-employment benefits, termination benefits, and other long-term benefits.

(1) Accounting treatments of short-term compensation

During the accounting period when employees provide services to the Company, the Company recognizes the actual short-term employee remuneration incurred as a liability and includes the same in the current gains/losses or the cost of related assets.

For social insurance premiums and housing provident funds paid by the Company for its employees, as well as trade union funds and employee education funds withdrawn in accordance with regulations, the Company calculates and determines the corresponding amount of employee benefits based on the prescribed basis and percentage during the accounting period when employees provide services to the Company.

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

(2) Accounting treatments of post-employment benefits

Defined contribution plans

The Company pays basic pension insurance and unemployment insurance for its employees in accordance with relevant regulations of the local government. During the accounting period when employees provide services to the Company, the amount payable is calculated based on the local payment basis and proportion, recognized as a liability, and stated as the current gains/losses or the cost of related assets.

In addition to basic pension insurance, the Company has also established an enterprise annuity payment system and enterprise annuity plan in accordance with relevant policies of the national enterprise annuity system. The Company makes contributions to the local social insurance institution / annuity plan in a certain percentage of the total wages of employees, where the corresponding expenditures are stated as the current gains/losses or the cost of related assets.

(3) Accounting treatments of dismissal benefits

The Company recognizes the employee benefits liability arising from termination benefits and states the same as the current gains/losses when it fails to unilaterally withdraw the termination benefits arising from the labor relationship termination plan or reduction proposal, or when it recognizes the costs or expenses related to a restructuring involving the payment of termination benefits, whichever is earlier.

26. Lease liabilities

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

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

(1) Fixed payment (including substantial fixed payment), and the relevant amount after deducting the lease incentive if any;

(2) Variable lease payment amount depending on index or ratio;

(3) The Company reasonably determines the exercise price of purchase option to be exercised;

(4) Lease term reflects the amount that needs to be paid if the Company exercises the option to termination of leases; and

(5) The amount expected to be paid according to the residual value of the guarantee provided by the Company.

Variable lease payments that depend on an index or a rate are determined at initial measurement based on the index or rate as at the lease commencement date. Variable lease payments not stated as the measurement of the lease liability are recognized in the gains/losses or the cost of underlying assets in the period in which they are incurred.

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

After the lease commencement date, if any of the following circumstances occurs, the Company shall remeasure the lease liabilities and adjust the corresponding right-of-use assets. If the book value of the right-of-use assets has been reduced to zero, but the lease liabilities still needs to be further reduced, the Company shall state the difference in the current gains/losses:

(1) If lease term changes or the valuation result of purchase option changes, the Company remeasures lease liabilities based on the present value of the changed lease payments and the revised discount rate;

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

Lease liabilities are presented as current liabilities or non-current liabilities in the balance sheet based on their liquidity. The closing carrying amount of non-current lease liabilities due for settlement within one year from the balance sheet date is reflected in the item "Non-current Liabilities due within One Year".

27. Estimated liabilities

(1) Recognition criteria for estimated liabilities

When obligations related to contingencies such as pending litigation or arbitration and product quality warranties simultaneously meet the following conditions, the Company recognizes the same as liabilities: the obligation is a present obligation of the Company; the fulfillment of obligation is likely to result in the outflow of economic benefits; and the amount of the obligation can be measured reliably.

(2) Measurement methods for estimated liabilities

Estimated liabilities are initially measured in accordance with the optimal estimate of the necessary expenses for the fulfillment of the current obligation, with the risks related to contingent matters, uncertainty, the time value of money, and other factors taken into consideration. The Company reviews the best estimate at the balance sheet date and adjusts the carrying amount of the estimated liability.

The best estimate is handled in the following circumstances:

In the case of a continuous range (or interval) for the necessary expenses and probabilities for all the outcomes within this range are equal, the best estimate is determined at the median of the range, which is the average of the upper and lower limits.

In the case of no continuous range (or interval) for the necessary expenses, or in the case of a continuous range where the probabilities for all outcomes within this range are not equal, if the contingency involves a single item, the best estimate is determined based on the most likely outcome; if the contingency involves multiple items, the best estimate is calculated and determined based on all possible outcomes and the associated probabilities.

When all or some of the expenses necessary for the liquidation of an provisions of an enterprise is expected to be compensated by a third party, the compensation should be separately recognized as an asset only when it is virtually certain that the reimbursement will be obtained. Besides, the amount recognized for the reimbursement should not exceed the book value of the estimated liabilities.

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

28. Income

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

□ Income from electricity generation and sales; □ Income from comprehensive energy services □ Other income.

（1） **General principles**

The Company recognizes income when it has fulfilled its performance obligations in the contract, that is, when a customer obtains control of the relevant goods or services. Obtaining control over related goods or services means being able to lead the use of the goods or the provision of such services and obtain almost all of the economic benefits from it.

Performance obligation refers to the commitment of the Company to transfer distinct goods to the customer in the contract. The Company's performance obligation falls within a period of time if one of the following conditions is met; otherwise, it belongs to a point in time: □ The customer obtains and consumes the economic benefits brought by the Company's performance at the same time as the Company performs; □ the customer can control the goods under construction during the Company's performance; □ the goods produced during the Company's performance have irreplaceable uses, and the Company has the right to collect payments for the cumulative completed performance portion during the entire contract term.

For performance obligations over a period of time, the Company recognizes the income according to the performance progress during such period. When the performance progress cannot be reasonably determined, if the costs already incurred by the Company are expected to be compensated, the income is recognized based on the amount of costs already incurred until the performance progress can be reasonably determined.

For performance obligations at a point in time, the Company recognizes the income at the point when the customer obtains control of the relevant goods. When judging whether the customer has obtained control over the goods, the Company comprehensively considers the following indicators: □ The Company has a right to receive the payment for the goods, that is, the customer has a obligation to pay for the goods; □ the Company has transferred the legal title of the goods to the customer, that is, the customer has the legal title of the goods; □ the Company has transferred physical possession of the goods to the customer, that is, the customer has physical possession of the goods; □ the Company has transferred the significant risks and rewards of ownership of the goods to the customer, that is, the customer has obtained the significant risks and rewards of ownership of the goods; □ the customer has accepted the goods; □ other indicators showing that the customer has obtained the control over the goods.

If the contract contains two or more performance obligations, at the commencement date of the contract, the Company allocates the transaction price to each single performance obligation based on the relative proportion of the stand-alone selling price of the goods or services promised under each single performance obligation. Income is measured at the transaction price of each single performance obligation.

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

In case of variable consideration in the contract, the Company determines the best estimate of the variable consideration based on the expected value or the most likely amount. The transaction price including variable consideration shall not exceed the amount for which it is very likely that a significant reversal in the amount of cumulative income recognized may not occur when the uncertainty associated with the variable consideration is subsequently resolved. At each balance sheet date, the Company re-estimates the amount of variable consideration to be stated as the transaction price.

In case of a significant financing component in the contract, the Company determines the transaction price based on the payable amount assumed to be paid in cash by the customer when obtaining control over the goods, and amortizes the difference between the determined transaction price and the consideration amount promised in the contract during the contract period using the effective interest method at the discount rate that discounts the nominal amount of the contract consideration to the cash selling price of the goods. On the commencement date of the contract, no significant financing component in the contract is taken into account if the interval between the customer obtaining control over the goods or services and the customer's payment is expected to be no more than one year.

（2） Principal Person in Charge and Agent

The Company determines its identity in transactions is a principal person in charge or an agent based on whether it has control over the goods before transfer to customers. If the Company is able to control the goods before transfer to customers, the Company is the principal person in charge and recognizes income based on the total amount of consideration received or receivable; otherwise, it is an agent and recognizes income based on the amount of commission or fees it expects to be entitled to, which shall be determined based on the net amount of the total consideration received or receivable after deducting the price payable to other relevant parties, or based on the established commission amount or proportion.

（3） Sales with Quality Warranty Terms

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

(4) Specific principles

The Company recognizes income when it has fulfilled its performance obligations in the contract, that is, when a customer obtains control of the relevant goods or services. Obtaining control over related goods or services means being able to lead the use of the goods or the provision of such services and obtain almost all of the economic benefits from it.

1) Income from electricity generation and sales

When the electricity is transmitted to the power grid company stipulated in the power sales contract, that is, the power grid company obtains control of the power, the Company recognizes the realization of sales income.

2) Income from comprehensive energy services

The Company's comprehensive energy services are mainly divided into energy storage power station business, electricity facilities commissioning, installation, and construction business, and power project operation and maintenance business. The relevant service content and main business entities are as follows:

Business type	Service content

1. Energy storage power station business	(1) Independent energy storage power station business (for grid companies): As a participant in frequency regulation and spot markets, the Company seeks returns by providing ancillary services such as frequency regulation and spot energy trading, and settles with the power trading center. Frequency regulation returns are the main source of income for independent energy storage power stations in Guangdong at the current stage. (2) Commercial and industrial energy storage power station business (for commercial and industrial enterprises): The Company reduces the electricity cost of commercial and industrial enterprises through peak-valley arbitrage, and shares energy-saving benefits proportionally with commercial and industrial enterprises through Energy Management Contracting (EMC).
2. Electricity facilities commissioning, installation, and construction business	(1) Specialized contracting projects such as power transmission and transformation projects and electromechanical installation projects; (2) Electrical equipment calibration, relay protection setting, subsystem and entire set start-up commissioning, testing, etc. before operation for newly built or reconstructed generator sets, substations, and energy storage systems; and (3) EPC general contracting business for energy storage and photovoltaic power stations ("turnkey project" management model adopted in execution of contracts with the construction unit and general contracting for the engineering project design, procurement, construction, or design and construction stages).
3. Power project operation and maintenance business	With "technical labor export + professional management" as the core, the Company provides a package of services such as operation and maintenance, overhaul, and production management for power plant and power grid customers.

① Specific Accounting Policies, Recognition Timing, and Basis for Recognition of all Types of Business Income

Business type	Income recognition policy	Income recognition timing	Income recognition basis
1. Energy storage power station business	(1) Such contracts are generally single performance obligations. (2) The customer receives and consumes the benefits arising from the Company's performance, which is deemed as the performance obligation over a period of time. (3) Such contracts are regarded as service contracts with clear output indicators, and the Company determines the performance progress of providing services according to the output method.	In each period of FM auxiliary services and commercial and industrial energy storage services, income is recognized when the customer concerned obtains the control of the services and the performance is completed.	Settlement statement of the power exchange center Electricity quantity confirmation form Electricity bill settlement statement Energy-saving sharing income confirmation form
2. Electricity facilities commissioning, installation, and construction business	(1) In distinguishing between a single performance obligation and multiple performance obligations, the Company's power engineering construction business generally belongs to a single performance obligation. (2) From the perspective of the point-in-time method and over-time method for income recognition, the Company's power engineering construction business is generally deemed as the customer being able to control the goods in progress during the Company's performance, making it a performance obligation over time, hence the application of over-time method in income recognition. (3) From the perspective of the input method or output method for performance progress, the Company's power engineering construction business	The Company recognizes the monthly income during the construction period according to the completion progress and contract amount.	Engineering progress settlement statement Engineering node acceptance form Supervision report, etc.

	generally involves the participation of engineering supervision and cost consulting agencies to calculate the engineering workload and output value, where the Company adopts the "output method" to confirm the performance. (4) From the perspective of the gross method or net method for income recognition, if acting as the principal person in charge, the Company recognizes revenue based on the total amount of consideration received or receivable (i.e., the gross method); if acting as an agent, income shall be recognized based on the amount of commission or handling fee expected to be entitled to receive (i.e., the net method). For the business of materials supplied by the construction party, since the materials supplied by the construction party are purchased and provided to the contractor by the construction party, and the construction party is responsible for their quality and price, the contractor does not assume the quality risk, price fluctuation risk, etc. Under this type of business, the contractor acts as an agent and recognizes revenue according to the commission or handling fee it expects to be entitled to receive, that is, recognizes revenue based on the net amount of the total consideration received or receivable after deducting the price payable to other related parties.		
3. Power project operation and maintenance business	(1) Such contracts are generally single performance obligations. (2) The customer receives and consumes the benefits arising from the Company's performance, which is deemed as the performance obligation over a period of time. (3) Such contracts are regarded as service contracts with clear output indicators, and the Company determines the performance progress of providing services according to the output method.	In each period of operation and maintenance services, income is recognized when the customer obtains the control of the services and the performance is completed.	Service review form, attendance sheet confirmed by both parties, etc.

② Methods and basis for estimated income recognition

For energy storage power station business, at the end of each settlement period, the Company estimates the income realized in the current period without a formal settlement documents, based on the accomplishment of charge and discharge and FM service volume, as well as the data such as market clearing price and performance coefficient.

For electricity facility commissioning, installation, and construction business, at the end of each settlement period, the Company recognizes estimated income based on the output value of the actual performance progress completed at the project site in the current period.

For power project operation and maintenance business, at the end of each settlement period, the Company estimates the income based on the number of man-days occurred at the project site in the current period, as well as the man-day unit price of personnel at all levels under the relevant contract.

On the balance sheet date, if the performance progress cannot be reasonably determined, and the costs incurred are expected to be recovered, the income shall be recognized based on the amount of costs incurred until the performance progress can be reasonably determined. In the period when the Company obtains the formal settlement documents, it shall offset the operating income recognized previously on an estimated basis, and recognize the operating income for the current period based on the formal settlement amount. The difference between the estimated amount and the formal settlement amount shall be used to adjust the operating income in the period when the settlement documents are obtained.

29. Government subsidies

(1) Type

Government grants are monetary assets and non-monetary assets obtained by the Company from the government without consideration, and are divided into government grants related to assets and government grants related to income.

Among them, government grants related to assets refer to government grants obtained by the Company to purchase, construct, or otherwise form long-term assets, while government grants related to income refer to government grants other than those related to assets. If the target of the grant is not clearly specified in the government documents, the Company makes judgement in line with the above-mentioned principles, and if it is difficult to distinguish, it is classified as a government grant related to income as a whole.

(2) Timing

If there is evidence at the end of the period that the Company can meet the conditions under the financial support policies and it is expected to receive the financial support funds, the government grant are recognized as per the receivable amount. Otherwise, government grants are recognized when actually received.

If a government grant is a monetary asset, it is measured at the amount received or receivable. If a government grant is a non-monetary asset, it is measured at fair value; if the fair value cannot be reliably obtained, it is measured at a nominal amount (RMB 1). A government grant measured at a nominal amount is directly stated as the current gains/losses.

(3) Accounting treatment

Government grants related to assets are offset against the carrying amount of the relevant assets or recognized as deferred income. If recognized as deferred income, the grants are stated as current gains/losses in installments on a reasonable and systematic basis over the service life of the said assets (those related to the daily activities of the Company stated as other income; those not related to the daily activities of the Company stated as non-operating income).

Government grants related to income, if used to compensate for the relevant costs, expenses, or losses of the Company in subsequent periods, are recognized as deferred income, and are recognized as current gains/losses during the period when such costs, expenses, or losses are recognized (those related to the daily activities of the Company stated as other income; those not related to the daily activities of the Company are stated as non-operating income) or offset against such costs, expenses, or losses; if used to compensate for the relevant costs, expenses, or losses already incurred by the Company, are directly stated as current gains/losses (those related to the daily activities of the Company stated as other income; those not related to the daily activities of the Company stated as non-operating income) or offset against such costs, expenses, or losses.

The Company obtains interest grants on policy-related concessional loans in two different ways: the interest subsidy funds are allocated by the government either to the lending bank or directly to the Company. The respective accounting treatment is carried out as follows:

1) Where the government allocates the funds to the lending bank, and the bank provides a loan to the Company at a policy-related preferential interest rate, the actual amount of the loan received is taken as the entry value, and the borrowing costs are calculated based on the loan principal and the policy-related preferential interest rate.

2) Where the government allocates the funds directly to the Company, the grants are offset against borrowing costs.

30. Deferred tax assets and deferred tax liabilities

Deferred tax assets that can be recognized for deductible temporary differences are subject to the taxable profit available in the future against which the deductible temporary differences can be utilized. For deductible losses and tax credits that can be carried forward to subsequent years, the corresponding deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible losses and tax credits can be utilized.

For taxable temporary differences, deferred tax liabilities are recognized except in special circumstances.

Special circumstances where deferred tax assets or deferred tax liabilities are not recognized include the initial recognition of goodwill, and other transactions or events occurred outside of a business merger and affect neither accounting profit nor taxable profit (or deductible losses) at the time of occurrence.

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

When the Company has the legal right to settle current income tax assets and current income tax liabilities on a net basis, and the deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax collection authority on the same taxpayer or on different taxpayers, but in each important future period of reversal of deferred tax assets and liabilities, the involved taxpayer intends to settle current income tax assets and liabilities on a net basis or to obtain assets and settle liabilities at the same time, the deferred tax assets and deferred tax liabilities of the Company are presented at the net amount after offset.

31. Leases

（1） Identification of Leases

On the commencement date of the contract, the Company assesses whether the contract is, or contains, a lease. If a party to the contract transfers the right allowing the control over the use of one or more assets that have been identified within a certain period, in exchange for a consideration, such contract is a lease or includes a lease.

If a contract contains several separate leases, the Company separates the contract and accounts for each separate lease. If a contract contains both lease and non-lease components, the Company separates the lease and non-lease components and accounts for them respectively. Each lease component is accounted for in accordance with the lease standard, and the non-lease components are accounted for in accordance with other applicable accounting standards for business enterprises.

（2） The Company as a lessee

1） Lease recognition

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

The right-of-use asset refers to the right of the Company as a lessee to use the leased asset during the lease term, which is initially measured at cost. The cost includes: □ The initial measurement amount of the lease liability; □ the lease payments made on or before the lease commencement date, less the amount of lease incentives enjoyed; □ the initial direct costs incurred; □ the expected costs to be incurred for dismantling and removing the leased asset, restoring the site where the leased asset is located, or restoring the leased asset to the state agreed in the lease terms (except those incurred for the production of inventories). If the Company remeasures the lease liability in accordance with the relevant provisions of the lease standard, the carrying amount of the right-of-use asset is adjusted accordingly.

The Company calculates and withdraws depreciation for right-of-use assets on a straight-line basis according to the expected consumption pattern of economic benefits related to such assets. If it can be reasonably determined that the ownership of the leased asset can be obtained at the end of the lease term, the depreciation is withdrawn over the remaining service life of the leased asset; if it is impossible to reasonably determine that the ownership of the leased asset can be obtained at the end of the lease term, the depreciation is calculated and withdrawn over the shorter of the lease term and the remaining service life of the leased asset. The amount of depreciation withdrawn is stated as the cost of relevant assets or the current gains/losses according to the purpose of the right-of-use assets.

The Company initially measures the lease liabilities at the present value of the lease payments that are not paid on the commencement date of the lease. The lease payments include: (1) Fixed payments and in-substance fixed payments, less any lease incentives receivable; (2) variable lease payments depending on an index or a rate; (3) exercise price of a purchase option if the Company is reasonably certain to exercise that option; (4) payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease; and (5) amounts expected to be paid by the Company as per the balance of value guarantees.

In calculating the present value of lease payments, the Company uses the interest rate implicit in the lease as the discount rate. If the interest rate implicit in the lease cannot be determined, the Company's incremental borrowing rate is used as the discount rate. The Company calculates the interests on the lease liabilities for each period during the lease term with a constant periodic rate of interest, and states the same as current gains/losses, except for those that shall be capitalized.

Subsequent to the commencement date of the lease, the Company increases the carrying amount of the lease liability when recognizing the interest on such liability, and reduces the carrying amount of such liability when making lease payments. The Company remeasures the lease liability at the present value of the modified lease payments in case of any change to in-substance fixed payments, any change to the amounts expected to be payable under a residual value guarantee, any change to future lease payments resulting from the change in an index or a rate used to determine those payments, or any change to the assessment or actual exercise of a purchase option, an renewal option, or a termination option.

2） **Short-term lease and low-value asset lease**

For short-term leases with a term of not more than 12 months and leases of low-value assets where the individual leased asset is of low value when it is brand new, the Company chooses not to recognize right-of-use assets and lease liabilities. The Company recognizes the lease payments associated with short-term leases and leases of low-value assets as expenses on a straight-line basis or another systematic and rational basis over the lease term in the cost of relevant assets or current gains/losses.

（3） **The Company as a lessor**

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

1） **Finance lease**

On the commencement date of the lease, the Company recognizes a finance lease receivable for a finance lease and derecognizes the finance lease asset. When the Company initially measures the finance lease receivable, the net investment in the lease is used as the entry value of the finance lease receivable.

The net investment in the lease is the sum of the unguaranteed residual value and the present value of the lease payments receivable that are not received on the commencement date of the lease discounted at the interest rate implicit in the lease. The Company calculates and recognizes interest income for each period during the lease term at a constant periodic rate of interest. Variable lease payments received by the Company that are not stated as the net investment for measurement in the lease are recognized in the gains/losses for the period of occurrence.

2） **Operating lease**

During each period of the lease term, the Company recognizes lease receipts from operating leases as rental income on a straight-line basis.

Initial direct costs incurred by the Company in relation to an operating lease are capitalized to the cost of the underlying asset, and are recognized as an expense over the lease term on the same basis as the lease income. Variable lease payments received by the Company in relation to an operating lease that are not stated as the lease receipts are stated as gains/losses for the period of occurrence.

In case of any modification to the operating lease, the Group regards it as a new lease for accounting treatment from the effective date of the change. The advance receipt or the lease receivable related to the lease prior to the change is recognized as the payment receivable of the new lease.

32. Special reserves

The production safety expenses withdrawn by the Company for its electricity generation business in accordance with national regulations are stated as the cost of relevant products or current gains/losses, and also stated as the "special reserve" account. The current provision standard is based on the operating income of the previous year, and the amount to be withdrawn for the current year is determined by adopting the excess regressive method, and is withdrawn evenly on a monthly basis, stated as the cost of relevant products or current gains/losses, and also stated as the "special reserve" account. When the Company uses the special reserve, if it is an expenditure, it directly offsets the special reserve; if it forms a fixed asset, it is recognized as a fixed asset when the relevant asset reaches the intended state of use; while the special reserve is offset against the cost of forming the fixed asset, and the accumulated depreciation of the same amount is recognized. The fixed asset is no longer depreciated in subsequent periods.

33. Major changes in accounting policies and accounting estimates

There was no material change in accounting policies and accounting estimates during the Reporting Period.

VI. Taxation

1. Main tax types and tax rates

Taxation	Tax basis	Tax rate
Value-added tax	The output tax is calculated on the basis of the sales of goods and taxable labor income calculated in accordance with the tax law. After deduction of the input tax that can be deducted in the current period, the difference is the value-added tax payable.	13%、9%、6%、5%、3%
Urban maintenance and construction tax	Calculated and paid based on the value-added tax and consumption tax actually paid	7%
Education surcharge	Calculated and paid based on the value-added tax and consumption tax actually paid	3%
Local education surcharge	Calculated and paid based on the value-added tax and consumption tax actually paid	2%
Enterprise income tax	Calculated and paid based on taxable income	Calculated and paid at 25% of the taxable income, except for the enterprises enjoying tax preferences as described below.
Property tax	(1) Private use of a self-owned property: Based on the original value of the property, less 10%-30%; (2) Lease of a self-owned property: Based on the rental income of the property	1.2% (ad valorem) or 12% (based on rent)
Land use tax in urban	Calculated and paid at RMB 2-8/square meter of the land area	

Taxation	Tax basis	Tax rate
areas	actually occupied by industrial land in Nanshan District, Shenzhen; calculated and paid at RMB 1/square meter of the land area actually occupied by industrial land in Zhongshan City	
Overseas taxes	Overseas taxes are calculated in accordance with the tax laws and regulations of the country or region concerned	

The taxpayers with different corporate income tax rates are as follows:

Name of entity	Income tax rate
The Company	15%

2. Tax incentives

(1) Enterprise income tax

The Company obtained the National High-tech Enterprise Certificate (No. GR202444200365) valid for 3 years from 2024 to 2026, during which the Company enjoys the high-tech enterprise income tax preference and pays enterprise income tax at a reduced rate of 15%.

(2) Value-added tax

Taxation	Company name	Basis of relevant laws and policies	Approval authority	Approval document number	Reduction/exemption range	Validity period
Value-added tax	Shennan Power Engineering Company	*Announcement of the Ministry of Finance and the State Taxation Administration on Value-added Tax and Consumption Tax Policies for Export Businesses*	Taxation Bureau for Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, the State Taxation Administration	2026 Announcement No. 11 of the Ministry of Finance and the State Taxation Administration	VAT exemption for cross-border taxable behaviors	Effective from January 1, 2026

VII. Notes to items in consolidated financial statements

1. Monetary funds

Unit: RMB

Item	Ending balance	Beginning balance
Cash on hand	29,648.02	30,635.37
Bank deposits	115,534,685.53	133,266,301.05
Other monetary assets	131,432,044.73	8,293,402.62
Total	**246,996,378.28**	**141,590,339.04**
Of which: Total amount of funds deposited overseas	6,663,758.89	6,030,197.06

The details of monetary funds that are restricted from use due to mortgage, pledge or freezing, as well as monetary funds kept overseas with restricted repatriation are as follows:

Item	Ending balance	Beginning balance
Guarantee deposits, etc.	127,729,947.70	8,334,730.76
Co-managed account funds	4,619,341.40	
Total	**132,349,289.10**	**8,334,730.76**

Besides, there are no other funds with restricted use due to mortgage, pledge or freezing, or with potential recovery risks in the balance of monetary funds as of June 30, 2026.

2. Financial assets held for trading

Unit: RMB

Item	Ending balance	Beginning balance
Financial assets measured at fair value through current profit or loss	162,600,453.64	291,000,000.00
Including: Investment in debt instruments		
Investment in equity instruments		
Derivative financial instruments		
Others (Note 1)	162,600,453.64	291,000,000.00
Financial assets designated to be measured at fair value through current gains/losses	50,643,644.40	50,000,000.00
Including: Investment in debt instruments		
Investment in hybrid instruments		
Others (Note 2)	50,643,644.40	50,000,000.00
Total	**213,244,098.04**	**341,000,000.00**

Note 1: Other tradable financial assets of the Company refer to structural deposits and monetary funds reserved in commercial banks. As of June 30, 2026, the balance of structural deposits and monetary funds was RMB 162,600,453.64.

Note 2: Other financial assets of the Company designated to be measured at fair value through current gains/losses refer to the investments in private equity funds.

3. Notes receivable

(1) Presentation of notes receivable by category

Unit: RMB

Item	Ending balance	Beginning balance
Bank acceptance bill	400,000.00	
Total	**400,000.00**	

(2) Disclosure by provision method for bad debts

Unit: RMB

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					
Provision for bad debts accrued by credit risk portfolio	400,000.00	100.00			400,000.00
Including: Bank acceptance bills	400,000.00	100.00			400,000.00
Total	**400,000.00**	**100.00**			**400,000.00**

(Continued)

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					
Provision for bad debts accrued by credit risk					

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
portfolio					
Including: Bank acceptance bills					
Total					

1） **There was no provision for bad debts of notes receivable accrued on an individual basis in the current period**

2） **Provision set aside for bad debts of notes receivable by portfolio**

Name	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Portfolio 1: Bank Acceptance Bills Portfolio	400,000.00		
Total	**400,000.00**		

(3) Provision for bad debts of notes receivable withdrawn, recovered, or reversed for the current period

(4) No pledged notes receivable of the Company by the end of the current period

(5) No notes receivable endorsed or discounted by the Company and not yet due on the balance sheet date by the end of the current period

(6) No actual write-off of notes receivable for the current period

4. Accounts receivable

(1) Disclosure by aging

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	84,387,550.20	81,840,666.05
1-2 years	4,197,022.39	8,839,661.81
2-3 years	15,213,230.04	21,358,368.01
Over 3 years	27,989,666.65	18,100,707.87
Total	**131,787,469.28**	**130,139,403.74**

(2) Disclosure by provision method for bad debts

Unit: RMB

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	17,208,128.63	13.06	17,208,128.63	100.00	
Provision for bad debts accrued by credit risk portfolio	114,579,340.65	86.94	5,259,035.53	4.59	109,320,305.12
Total	**131,787,469.28**	**100.00**	**22,467,164.16**	**17.05**	**109,320,305.12**

(Continued)

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	17,208,128.63	13.22	17,208,128.63	100.00	
Provision for bad debts accrued by credit risk portfolio	112,931,275.11	86.78	3,099,877.82	2.74	109,831,397.29
Total	**130,139,403.74**	**100.00**	**20,308,006.45**	**15.60**	**109,831,397.29**

Accounts receivable with provision for bad debts on an individual basis:

Name	Ending balance			
	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
China Machinery Engineering Corporation (CMEC)	11,600,475.07	11,600,475.07	100.00	Estimated to be irrecoverable
PowerChina Hubei Electric Engineering Co., Ltd.	2,080,000.00	2,080,000.00	100.00	Estimated to be irrecoverable
Shenzhen Petrochemical Bonded Oil Trade Co., Ltd.	3,474,613.06	3,474,613.06	100.00	Historical legacy issues from a long time ago
Other small-amount receivables	53,040.50	53,040.50	100.00	Estimated to be irrecoverable
Total	**17,208,128.63**	**17,208,128.63**	**100.00**	

Accounts receivable with provision for bad debts on a portfolio basis:

Project	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Portfolio 2: Receivables from electricity generation and sales	61,744,388.17		
Portfolio 3: Receivables from comprehensive energy services	52,834,952.48	5,259,035.53	9.95
Total	**114,579,340.65**	**5,259,035.53**	**4.59**

(3) Provision for bad debts accrued, recovered or reversed for the current period

Unit: RMB

Type	Beginning balance	Changes in the current period			Ending balance
		Provision	Recovered or reversed	Charge-off or write-off	
Accounts receivable with expected credit losses withdrawn on an individual basis	17,208,128.63				17,208,128.63
Accounts receivable with expected credit losses accrued by credit risk portfolio	3,099,877.82	2,159,157.71			5,259,035.53
Total	**20,308,006.45**	**2,159,157.71**			**22,467,164.16**

Of which, there was no recovery or reversal of provision for bad debts with significant amounts in the current period.

(4) No actual write-off of accounts receivable for the current period

(5) Top five accounts receivable by the debtor in terms of the ending balance and contract assets

Unit: RMB

Unit	Ending balance of accounts receivable	Ending balance of contract assets	Ending balances of accounts receivable and contract assets	Ratio to the total amount of ending balance of accounts receivable and contract assets (%)	Ending balance of provision for bad debts of accounts receivable and provision for impairment of contract assets
Shenzhen Power Supply Bureau Co., Ltd.	61,744,388.17		61,744,388.17	44.42	
China Machinery Engineering Corporation (CMEC)	41,350,479.04		41,350,479.04	29.75	15,956,994.97
Guangdong	7,796,560.54		7,796,560.54	5.61	

Unit	Ending balance of accounts receivable	Ending balance of contract assets	Ending balances of accounts receivable and contract assets	Ratio to the total amount of ending balance of accounts receivable and contract assets (%)	Ending balance of provision for bad debts of accounts receivable and provision for impairment of contract assets
Power Grid Co., Ltd.					
Shenzhen Energy Group Co., Ltd.	6,535,090.73		6,535,090.73	4.70	
China Construction Science and Industry Corporation Limited		4,104,518.04	4,104,518.04	2.95	
Total	**117,426,518.48**	**4,104,518.04**	**121,531,036.52**	**87.43**	**15,956,994.97**

5. Contract assets

(1) Details of contract assets

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Project progress payment	5,428,612.88		5,428,612.88	20,224,907.48		20,224,907.48
Engineering quality deposit	1,780,664.43		1,780,664.43	1,216,764.24		1,216,764.24
Total	**7,209,277.31**		**7,209,277.31**	**21,441,671.72**		**21,441,671.72**

(2) Major changes of book value during the reporting period and reasons

Unit: RMB

Item	Changes	Reason for changes
Project progress payment	-14,996,747.54	The ending balance of contract assets decreased from the beginning of the period, mainly because the 150MW/300MWh

Item	Changes	Reason for changes
		independent energy storage power station project in Guzhen Town, Zhongshan City, and the construction general contracting building and installation construction project of Section #2 of the Zhengdou Photovoltaic Empirical Experiment Base Project in Garze Prefecture have completed settlement and met the conditions for unconditional right to receive payments, which were transferred from contract assets to accounts receivable.
Total	**-14,996,747.54**	

(3).Disclosure by provision method for bad debts

Unit: RMB

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					
Provision for bad debts accrued by credit risk portfolio	7,209,277.31	100.00			7,209,277.31
Total	**7,209,277.31**	**100.00**			**7,209,277.31**

(Continued)

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					
Provision for bad debts accrued by credit risk portfolio	21,441,671.72	100.00			21,441,671.72
Total	**21,441,671.72**	**100.00**			**21,441,671.72**

1）There was no provision for bad debts of contract assets accrued on an individual basis in the current period

2）Provision set aside for bad debts of contract assets by portfolio

Name	**Ending balance**		
	Book balance	**Provision for bad debts**	**Provision percentage (%)**
Portfolio 3: Receivables from comprehensive energy services	7,209,277.31		
Total	**7,209,277.31**		

(4) No provision for bad debts of contract assets was accrued, recovered or reversed in the current period

(5) No actual write-off of contract assets for the current period

6. Other receivables

Unit: RMB

Item	**Ending balance**	**Beginning balance**
Interest receivable		
Dividends receivable		
Other receivables	362,387,516.84	361,729,062.93
Including: Land resumption compensation receivable (Note)	354,967,762.00	354,967,762.00
Total	**362,387,516.84**	**361,729,062.93**

Note: Land resumption compensation receivable refers to the government compensation receivable arising from the land resumption of the Company's subsidiary, Shennandian Zhongshan. The total compensation price for the land resumption of Shennandian Zhongshan in Cuiheng New District is RMB 584.45 million, involving Parcel A and Parcel B:

The total compensation for Parcel A is RMB 224.71 million, of which RMB 112.41 million has been recovered in the early stage, including an initial payment of RMB 67.41 million and a progress payment of RMB 45.00 million. The cancellation of the land ownership certificate and the confirmation of the parcel handover for Parcel A were completed in 2024. At the end of the period, the remaining receivable balance was RMB 112.30 million. According to the agreement, the payment will be recovered by December 31, 2026 at the latest.

The total compensation for Parcel B is RMB 359.74 million, of which an initial payment of RMB 107.92 million has been received. The cancellation of the land ownership certificate for Parcel B was completed in 2024, and the confirmation of the parcel handover was completed in 2025. During the actual handover confirmation process of Parcel B, RMB 9.15 million was deducted from the compensation price accordingly due to the expiration and cancellation of the right to use the sea area in relation to the wharf and the inability to hand over the covered bridge due to demolition. At the end of the period, the remaining receivables totaled RMB 242.67 million. Pursuant to relevant agreement, the settlement deadline for the payment is December 31, 2027.

By the end of the Reporting Period, the unrecovered land resumption compensation for Parcels A and B totaled RMB 354.97 million. The Company continues to communicate with the Management Committee of Cuiheng New District to actively promote the recovery of funds. All remaining land resumption receivables are within the payment credit period under the relevant agreement.

6.1 Other receivables

(1) Classification of other receivables by nature of payment

Unit: RMB

Nature of funds	Ending book balance	Beginning book balance
Transactions with external agencies	375,508,681.73	375,874,499.74
Historical legacy funds	11,724,938.94	11,724,938.94
Margin, deposit and petty cash	5,846,533.33	4,930,362.46
Others	717,918.88	609,817.83
Total	**393,798,072.88**	**393,139,618.97**

(2) Disclosure by aging

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	246,961,373.29	245,361,010.04
1-2 years	115,093,053.16	116,034,962.50
2-3 years	315,182.00	315,182.00
Over 3 years	31,428,464.43	31,428,464.43
Total	**393,798,072.88**	**393,139,618.97**

(3).Disclosure by provision method for bad debts

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set	31,410,556.04	7.98	31,410,556.04	100.00	

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
aside for bad debts by the single item					
Provision for bad debts accrued by credit risk portfolio	362,387,516.84	92.02			362,387,516.84
Total	**393,798,072.88**	**100.00**	**31,410,556.04**	**7.98**	**362,387,516.84**

(Continued)

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	31,410,556.04	7.99	31,410,556.04	100.00	
Provision for bad debts accrued by credit risk portfolio	361,729,062.93	92.01			361,729,062.93
Total	**393,139,618.97**	**100.00**	**31,410,556.04**	**7.99**	**361,729,062.93**

1） Provision for bad debts of other receivables by single item

Name	Ending balance			
	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
Huiyang Kangtai Industrial Co., Ltd.	14,311,626.70	14,311,626.70	100.00	Historical legacy issues from a long time ago,
Dividends and taxes receivable from employee benefit fund	9,988,934.78	9,988,934.78	100.00	

Name	Ending balance			
	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
Shandong Ji'nan Power Generation Equipment Factory Co., Ltd.	3,560,000.00	3,560,000.00	100.00	which are expected to be unrecoverable.
Receivables from the purchase of employee dormitories	1,736,004.16	1,736,004.16	100.00	
Receivables from Zhongshan Cogeneration Project	1,000,000.00	1,000,000.00	100.00	
Others	813,990.40	813,990.40	100.00	
Total	**31,410,556.04**	**31,410,556.04**	**100.00**	—

2） **Provision set aside for bad debts of other receivables by portfolio**

Project	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Portfolio 5: Margin, deposit, and petty cash portfolio	5,842,936.55		
Portfolio 7: Other various receivables and temporary payments	356,544,580.29		
Total	**362,387,516.84**		

3） **Provision set aside for bad debts of other receivables by the general expected credit loss model**

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	
Balance as of January 1, 2026			31,410,556.04	**31,410,556.04**
Balance as of January 1, 2026 in the current period				
-- Transfer to Stage II				
-- Transfer to Stage III				
-- Reversal to Stage II				

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	
-- Reversal to Stage I				
Provision for the current period				
Reversal in this period				
Charge-off in the current period				
Write-off in the current period				
Other changes				
Balance as of June 30, 2026			31,410,556.04	**31,410,556.04**

(4) Provision for bad debts accrued, recovered or reversed for the current period

Unit: RMB

Type	Beginning balance	Changes in the current period				Ending balance
		Provision	Recovered or reversed	Charge-off or write-off	Others	
Provision set aside for bad debts by the single item	31,410,556.04					31,410,556.04
Provision for bad debts accrued by credit risk portfolio						
Total	**31,410,556.04**					**31,410,556.04**

Of which, there was no recovery or reversal of provision for bad debts with significant amounts in the current period.

(5) No actual write-off of other receivables for the current period

(6) Other receivables of the top five ending balances collected by debtor

Unit: RMB

Unit	Nature of funds	Ending balance	Aging	Ratio to the total ending balance of other receivables (%)	Provision for bad debts Ending balance
Zhongshan Xiwan Construction Investment Co., Ltd.	Land resumption payment receivable	354,967,762.00	Within 1 year, 1 to 2 years	90.14	
Huiyang Kangtai Industrial Co., Ltd.	Transactions with external agencies	14,311,626.70	Over 5 years	3.63	14,311,626.70
Dividends and taxes receivable from employee benefit fund	Receivables from employees	9,988,934.78	Over 5 years	2.54	9,988,934.78
Shandong Ji'nan Power Generation Equipment Factory Co., Ltd.	Transactions with external agencies	3,560,000.00	Over 5 years	0.90	3,560,000.00
Zhongshan Nanlang Construction Development Co., Ltd.	Deposit	1,888,742.00	Within 1 year, 1 to 2 years	0.48	
Total	**—**	**384,717,065.48**	**—**	**97.69**	**27,860,561.48**

7、 **Prepayments**

(1) Advances to suppliers are listed by aging

Unit: RMB

Item	Ending balance		Beginning balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	26,976,189.75	99.80	10,983,662.40	99.37
1-2 years	55,054.22	0.20	14,932.96	0.14

2-3 years			48,500.00	0.44
Over 3 years			5,887.44	0.05
Total	**27,031,243.97**	**100.00**	**11,052,982.80**	**100.00**

There was no prepayment aged over one year and of significant amount at the end of the period.

(2) Prepayment status of the top five year-end balances collected by prepaid objects

Unit: RMB

Unit	Ending balance	Ratio to the total ending balance of prepayment (%)
Shenzhen Gas Corporation Ltd.	10,066,955.06	37.24
Tianjin Anqiju Construction Technology Co., Ltd.	8,742,928.21	32.34
Shanghai Turbine Plant Co., Ltd.	3,521,400.00	13.03
Hunan Yineng Electric Power Construction Co., Ltd.	2,514,160.16	9.30
The Hong Kong University - Shenzhen Hospital	600,286.60	2.22
Total	**25,445,730.03**	**94.13**

8. Inventories

(1) Inventories Classification

Unit: RMB

Item	Ending balance		
	Book balance	Provision for inventory impairment/for contract fulfilment cost impairment	Book value
Spare parts, etc.	111,592,995.58	75,698,689.83	35,894,305.75
Auxiliary materials and low-value consumables, etc.	300,184.02		300,184.02
Contract fulfilment costs	2,568,736.88		2,568,736.88
Others	47,646.11		47,646.11
Total	**114,509,562.59**	**75,698,689.83**	**38,810,872.76**

(Continued)

Item	Beginning balance		
	Book balance	**Provision for inventory impairment/for contract fulfilment cost impairment**	**Book value**
Spare parts, etc.	112,064,370.81	75,758,884.19	36,305,486.62
Auxiliary materials and low-value consumables, etc.	302,731.04		302,731.04
Contract fulfilment costs	1,317,495.23		1,317,495.23
Others	47,196.59		47,196.59
Total	**113,731,793.67**	**75,758,884.19**	**37,972,909.48**

(2) Provision for inventory depreciation and provision for impairment of contract performance costs

Item	Beginning balance	Increase in the current year		Decrease in the current year		Ending balance
		Provision	**Others**	**Reversal or write-off**	**Others**	
Spare parts, etc.	75,758,884.19			60,194.36		75,698,689.83
Auxiliary materials and low-value consumables, etc.						
Total	**75,758,884.19**			**60,194.36**		**75,698,689.83**

9. Other current assets

Unit: RMB

Item	Ending balance	Beginning balance
Transferable large-denomination certificates of deposit and accrued interest	279,648,785.85	238,230,831.36
VAT input tax to be deducted	22,912,202.32	23,972,945.62
Prepaid income tax	142,330.79	4,050,115.85
Others	7,815.72	8,494.29

Item	Ending balance	Beginning balance
Total	**302,711,134.68**	**266,262,387.12**

10. Other equity instrument investments

(1) Other equity instrument investments

Unit: RMB

Item	Beginning balance	Increase/decrease in this period					Ending balance
		Additional investment	Decrease in investment	Gains included in other comprehensive income	Losses included in other comprehensive income	Others	
Sunpower Technology (Jiangsu) Group Co., Ltd.	170,869,466.58						170,869,466.58
Jiangxi Nuclear Power Co., Ltd.	63,309,590.62						63,309,590.62
Shenzhen Petrochemical Products Bonded Trading Co., Ltd.							
Total	**234,179,057.20**						**234,179,057.20**

(2) Non-trading equity instrument investments

Unit: RMB

Item	Dividend income recognized during the current	Accumulative gains accrued to other comprehensive income	Accumulative losses accrued to other comprehensive income	Amount transferred from the other comprehensive income to retained	Reason for assigning to measure at fair value of which changes included other comprehensive income	Reasons for the transfer of other comprehensive income into retained earnings

	period			**earnings**		
Sunpower Technology (Jiangsu) Group Co., Ltd.		30,869,466.58			Planned for long-term holding	
Jiangxi Nuclear Power Co., Ltd.		2,694,590.62			Planned for long-term holding	
Shenzhen Petrochemical Products Bonded Trading Co., Ltd.			2,500,000.00		Planned for long-term holding	
Total		**33,564,057.20**	**2,500,000.00**		**—**	

11. Long-term equity investments

Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of provision for impairment	Increase/decrease in this period								Ending balance (book value)	Balance of provision for impairment as at the end of the period
			Additional investment	Decrease Investment	Profit or loss of investment recognized by the equity method	Adjustments to other comprehensive income	Changes in Other Equities	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
I. Associates												
Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.	97,697,539.79				4,372,975.35			1,012,125.00			101,058,390.14	
Shenzhen Yuanzhi Ruixin New Generation Information Technology	97,179,976.04			40,737,926.61	7,114,625.58						63,556,675.01	

Investee	Beginning balance (book value)	Beginning balance of provision for impairment	Increase/decrease in this period								Ending balance (book value)	Balance of provision for impairment as at the end of the period
			Additional investment	Decrease Investment	Profit or loss of investment recognized by the equity method	Adjustments to other comprehensive income	Changes in Other Equities	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
Private Equity Investment Fund Partnership (Limited Partnership) (Note)												
Shenzhen Yuanzhi Zhongkai Energy Storage Technology Innovation Private Fund	1,950,000.00										1,950,000.00	

Investee	Beginning balance (book value)	Beginning balance of provision for impairment	Increase/decrease in this period								Ending balance (book value)	Balance of provision for impairment as at the end of the period
			Additional investment	Decrease Investment	Profit or loss of investment recognized by the equity method	Adjustments to other comprehensive income	Changes in Other Equities	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
Partnership (Limited Partnership)												
Total	**196,827,515.83**			**40,737,926.61**	**11,487,600.93**			**1,012,125.00**			**166,565,065.15**	

Note: The decrease in the book value of the long-term equity investment in Yuanzhi Ruixin Information Technology Fund is mainly due to the exit from some underlying investment projects during the current period, returning the project investment principal to the Company and distributing the returns, which resulted in a decrease in the book value of the long-term equity investment.

12. Investment properties

(1) Investment properties measured at the cost mode

Unit: RMB

Item	Houses and buildings	Total
I. Original book value		
1. Beginning balance	9,708,014.96	9,708,014.96
2. Increase in the current year		
3. Decrease in the current year		
4. Ending balance	9,708,014.96	9,708,014.96
II. Accumulated depreciation and accumulated amortization		
1. Beginning balance	8,376,561.88	8,376,561.88
2. Increase in the current year	83,278.38	83,278.38
(1) Provision or amortization	83,278.38	83,278.38
3. Decrease in the current year		
4. Ending balance	8,459,840.26	8,459,840.26
III. Provision for impairment		
1. Beginning balance		
2. Increase in the current year		
3. Decrease in the current year		
4. Ending balance		
IV. Book value		
1. Ending book value	1,248,174.70	1,248,174.70
2. Book value at the beginning of the year	1,331,453.08	1,331,453.08

13. Fixed assets

Unit: RMB

Item	Ending balance	Beginning balance
Fixed assets	530,531,149.52	544,902,436.89
Liquidation of fixed assets		
Total	**530,531,149.52**	**544,902,436.89**

(1) Fixed assets

Unit: RMB

Item	Houses, buildings, and decoration	Machinery equipment	Means of transportation	Electronic equipment and other equipment	Total
I. Original book value					
1. Beginning balance	317,189,970.52	1,843,082,497.65	5,275,908.75	40,521,712.61	2,206,070,089.53
2. Increase in the current period		2,559,058.55		116,805.07	2,675,863.62
(1) Purchase		21,251.06		116,805.07	138,056.13
(2) Transfer-in of construction in progress		2,537,807.49			2,537,807.49
(3) Increase in business combination					
3. Decrease in the current period	86,242.15	125,915.02	219,164.95		431,322.12
(1) Disposal or write-off			219,164.95		219,164.95
(2) Others	86,242.15	125,915.02			212,157.17
4. Ending balance	317,103,728.37	1,845,515,641.18	5,056,743.80	40,638,517.68	2,208,314,631.03
II. Accumulated depreciation					
1. Beginning balance	213,100,300.13	1,289,086,842.51	5,191,085.31	34,872,877.91	1,542,251,105.86
2. Increase in the current period	2,904,207.42	13,516,378.17	3,984.19	388,507.54	16,813,077.32
(1) Provision	2,904,207.42	13,516,378.17	3,984.19	388,507.54	16,813,077.32

(2) Increase in business combination					
3. Decrease in the current period			197,248.45		197,248.45
(1) Disposal or write-off			197,248.45		197,248.45
(2) Others					
4. Ending balance	216,004,507.55	1,302,603,220.68	4,997,821.05	35,261,385.45	1,558,866,934.73
III. Provision for impairment					
1. Beginning balance	17,852,047.84	100,972,179.24	53,176.48	39,143.22	118,916,546.78
2. Increase in the current period					
(1) Provision					
3. Decrease in the current period					
(1) Disposal or write-off					
4. Ending balance	17,852,047.84	100,972,179.24	53,176.48	39,143.22	118,916,546.78
IV. Book value					
1. Book value as at the end of the period	83,247,172.98	441,940,241.26	5,746.27	5,337,989.01	530,531,149.52
2. Book value as at the beginning of the period	86,237,622.55	453,023,475.90	31,646.96	5,609,691.48	544,902,436.89

(2) Fixed assets without certificate of title

Unit: RMB

Item	Book value	Reason that the certificate of title was not completed
Comprehensive office building of power plant	8,057,294.17	Supporting production houses and historical legacy matters
Turbine room	1,895,345.65	
New power house (four-control building)	865,000.00	
Cooling tower	673,259.25	
Water treatment workshop	232,960.00	
Circulating water pump room	196,984.54	
Oil depot comprehensive building	443,246.19	

14. Construction in progress

Unit: RMB

Item	Ending balance	Beginning balance
Construction in progress	3,283,591.43	3,113,338.75
Total	**3,283,591.43**	**3,113,338.75**

(1) Construction in progress situation

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Oil-to-gas project of Nanshan Thermal Power Station	9,441,286.39	9,441,286.39		9,441,286.39	9,441,286.39	
Technical transformation project of Nanshan Thermal Power Station	2,675,000.00	1,605,000.00	1,070,000.00	2,675,000.00	1,605,000.00	1,070,000.00
Zhongshan Independent Energy Storage Power Station (Phases II and III) Project	2,213,591.43		2,213,591.43	467,279.51		467,279.51
Zhongshanwan Solar-Storage-Charging Energy Service Project				1,576,059.24		1,576,059.24
Total	**14,329,877.82**	**11,046,286.39**	**3,283,591.43**	**14,159,625.14**	**11,046,286.39**	**3,113,338.75**

(2) Changes of significant construction in progress in the current period

Unit: RMB

Name	Beginning balance	Increase in the current period	Decrease in the current period		Ending balance
			Transfer to fixed assets	Other decreases	
Zhongshan Independent Energy	467,279.51	1,746,311.92			2,213,591.43

Name	Beginning balance	Increase in the current period	Decrease in the current period		Ending balance
			Transfer to fixed assets	Other decreases	
Storage Power Station (Phases II and III) Project					
Total	**467,279.51**	**1,746,311.92**			**2,213,591.43**

(Continued)

Name	Budget amount (RMB ten thousand yuan)	Proportion of the project accumulative input in budget (%)	Engineering Schedule (%)	Accumulated amount of interest capitalization (RMB 10,000)	Including: Capitalized amount of interest in the current period (RMB 10,000)	Capitalization rate of the interests for the current period (%)	Source of funds
Zhongshan Independent Energy Storage Power Station (Phases II and III) Project	39,272	0.56%	0.56%				Self-funded
Total	**39,272**	-	-				-

15. Right-of-use assets

(1) Right-of-use assets status

Unit: RMB

Item	Properties and buildings	Land use right and others	Total
I. Original book value			
1. Beginning balance	9,043,308.31	28,096,305.81	37,139,614.12
2. Increase in the current period	10,914,099.81		10,914,099.81
(1) New lease contracts	10,914,099.81		10,914,099.81
(2) Lease modification and others			
3. Decrease in the current period	8,696,499.48		8,696,499.48
(1) Disposal			
(2) Expiration of lease contracts	8,696,499.48		8,696,499.48
4. Ending balance	11,260,908.64	28,096,305.81	39,357,214.45
II. Accumulated depreciation			
1. Beginning balance	6,949,461.65	1,404,815.28	8,354,276.93
2. Increase in the current period	2,172,741.54	702,407.64	2,875,149.18
(1) Provision	2,172,741.54	702,407.64	2,875,149.18
3. Decrease in the current period	8,696,499.48		8,696,499.48
(1) Disposal			
(2) Expiration of lease contracts	8,696,499.48		8,696,499.48
4. Ending balance	425,703.71	2,107,222.92	2,532,926.63
III. Provision for impairment			
1. Beginning balance			
2. Increase in the current period			
3. Decrease in the current period			

Item	Properties and buildings	Land use right and others	Total
4. Ending balance			
IV. Book value			
1. Book value as at the end of the period	10,835,204.93	25,989,082.89	36,824,287.82
2. Book value as at the beginning of the period	2,093,846.66	26,691,490.53	28,785,337.19

Note: (1) The increase in the right-of-use assets for houses and buildings in the current period is caused by the renting of properties on the 16th and 17th floors of Hantang Building as office space under an operating lease with a new three-year lease agreement to recognize the right-of-use assets; the decrease in the current period is due to the expiration and termination of the original house lease terms.

(2) The right-of-use assets for land use right and others are mainly related to the construction of the Zhongshan Independent Energy Storage Project by Shennan Power Xiwan Company, for which the project land and above-ground buildings were leased, and the right-of-use assets were recognized.

16. Intangible assets

(1) Intangible assets situation

Unit: RMB

Item	Land use right	Patent right	Software	Others	Total
I. Original book value					
1. Beginning balance	30,800,611.14	138,625.07	6,362,179.43	39,341.17	37,340,756.81
2. Increase in the current period		72,574.26	21,839.62	1,980.20	96,394.08
(1) Purchase		72,574.26	21,839.62	1,980.20	96,394.08
(2) Increase through business merger					
3. Decrease in the current period					
4. Ending balance	30,800,611.14	211,199.33	6,384,019.05	41,321.37	37,437,150.89
II. Accumulated amortization					

Item	Land use right	Patent right	Software	Others	Total
1. Beginning balance	30,761,618.28	83,278.76	4,414,748.24	39,341.17	35,298,986.45
2. Increase in the current period	3,295.56	6,398.10	267,516.72	33.00	277,243.38
(1) Provision	3,295.56	6,398.10	267,516.72	33.00	277,243.38
(2) Increase through business merger					
3. Decrease in the current period					
4. Ending balance	30,764,913.84	89,676.86	4,682,264.96	39,374.17	35,576,229.83
III. Provision for impairment					
1. Beginning balance					
2. Increase in the current period					
3. Decrease in the current period					
4. Ending balance					
IV. Book value					
1. Book value as at the end of the period	35,697.30	121,522.47	1,701,754.09	1,947.20	1,860,921.06
2. Book value as at the beginning of the period	38,992.86	55,346.31	1,947,431.19		2,041,770.36

17. Long-term deferred expenses

Unit: RMB

Item	Beginning balance	Increase in the current period	Amortization in the current period	Other decreases	Ending balance
Overhaul expenditure	6,497,593.73	148,763.21	972,531.00		5,673,825.94

Item	Beginning balance	Increase in the current period	Amortization in the current period	Other decreases	Ending balance
Decoration expenses	69,565.32		69,565.32		
Total	**6,567,159.05**	**148,763.21**	**1,042,096.32**		**5,673,825.94**

18. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets without offset

Unit: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred tax Assets	Deductible temporary differences	Deferred tax Assets
Fair value changes of investments in other equity instruments	2,500,000.00	625,000.00	2,500,000.00	625,000.00
Provision for bad debts	42,481.92	10,620.48	42,481.92	10,620.48
Estimated liabilities	345,106.00	86,276.50	345,106.00	86,276.50
Lease liabilities	25,814,315.97	6,453,578.99	25,839,468.05	6,459,867.02
Deductible losses	74,141,565.14	18,535,391.28	101,792,854.16	25,448,213.52
Total	**102,843,469.03**	**25,710,867.25**	**130,519,910.13**	**32,629,977.52**

(2) Deferred tax liabilities without offset

Unit: RMB

Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred tax Liabilities	Taxable temporary differences	Deferred tax Liabilities
Carrying amount of right-of-use assets	25,989,082.89	6,497,270.72	27,085,703.87	6,771,425.96
One-off deduction for fixed assets	119,712,820.13	29,928,205.04	125,758,907.33	31,439,726.83
Total	**145,701,903.02**	**36,425,475.76**	**152,844,611.20**	**38,211,152.79**

(3) Deferred tax assets or liabilities listed net amount after write-offs

Unit: RMB

Item	Ending balance		Beginning balance	
	Offset amount of deferred tax assets and liabilities	Balance of deferred tax assets or liabilities after offset	Offset amount of deferred tax assets and liabilities	Balance of deferred tax assets or liabilities after offset
Deferred tax assets	21,447,819.57	4,263,047.69	28,365,118.64	4,264,858.88
Deferred tax liabilities	21,447,819.57	14,977,656.19	28,365,118.64	9,846,034.15

(4) Details of unconfirmed deferred tax assets

Item	Ending balance	Beginning balance
Deductible temporary differences (Note)	746,532,145.60	747,666,656.06
Deductible losses	570,969,455.61	582,960,196.13
Total	**1,317,501,601.21**	**1,330,626,852.19**

Note: Deductible temporary differences are the aggregate of all taxpaying entities within the consolidation scope, without elimination, mainly formed due to the provision for impairment of long-term equity investments, inventory valuation allowance, provision for impairment of fixed assets and provision for impairment of receivables, etc.

(5) Deductible losses from unrecognized deferred tax assets will be expired in the following years

Year	Ending amount	Beginning amount	Remarks
2026	56,270,050.51	63,604,302.14	
2027	80,366,503.74	80,366,503.74	
2028	64,019,012.24	64,019,012.24	
2029	26,972,406.84	26,972,406.84	
2030	67,823,332.36	83,108,090.85	
2031	48,331,962.81	41,303,572.32	
2032	73,523,304.11	73,523,304.11	
2033	15,746,106.25	15,746,106.25	
2034	31,083,070.34	31,083,070.34	
2035	103,233,827.30	103,233,827.30	
2036	3,611,539.93		
Total	**570,981,116.43**	**582,960,196.13**	

19. Other non-current assets

Unit: RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Overhaul expenditure on generator sets of Nanshan Thermal Power Station (Note 1)	4,136,643.54		4,136,643.54			
Expenses related to functional replacement of Nanshan Thermal Power Station	857,135.84		857,135.84	857,135.84		857,135.84
Prepayments for decoration engineering	283,969.92		283,969.92			
Cost of contract acquisition	209,748.43		209,748.43			
Total	**5,487,497.73**		**5,487,497.73**	**857,135.84**		**857,135.84**

Note: It was mainly due to the overhaul expenditure on generator sets of Nanshan Thermal Power Station occurred during the Reporting Period. Since the repair project had not been completed and failed to meet the capitalization conditions, it was stated as another non-current asset and would be converted into long-term prepaid expense after capitalization conditions are met.

20. Assets with restrictions on the ownership or right of use

Unit: RMB

Item	Ending balance				Beginning balance			
	Book balance	Book value	Type of restriction	Restriction details	Book balance	Book value	Type of restriction	Restriction details
Monetary assets	127,729,947.70	127,729,947.70	Guarantee deposits	Frozen	8,334,730.76	8,334,730.76	Guarantee deposits	Frozen
	4,619,341.40	4,619,341.40	Co-managed accounts, payment restricted	Managed according to the use of specific project funds				
Subtotal	**132,349,289.10**	**132,349,289.10**			**8,334,730.76**	**8,334,730.76**		
Accounts receivable (Note)	7,796,560.54	7,796,560.54	Pledge	Pledge for bank borrowings	20,975,701.75	20,975,701.75	Pledge	Pledge for bank borrowings
Fixed assets (Note)	81,695,172.60	81,695,172.60	Pledge	Pledge for bank borrowings	81,695,172.60	81,695,172.60	Pledge	Pledge for bank borrowings
Total	**221,841,022.24**	**221,841,022.24**	—	—	**111,005,605.11**	**111,005,605.11**	—	—

Note: The restriction to the ownership of the Company's assets during the Reporting Period were mainly due to the fact that Shennan Power Xiwan Company, a subsidiary of the Company, pledged the fixed assets of its independent Energy Storage Power Station Project (Phase I) and 47.62% of the accounts receivable generated from its operation to the Postal Savings Bank of China for a borrowing limit of RMB 88,995,600, and pledged 52.38% of the accounts receivable generated from the operation of its

Zhongshan Cuiheng New District 300MW/600MWh Independent Energy Storage Power Station Project (Phase I) to Shenzhen Branch of Shanghai Pudong Development Bank for a borrowing limit of RMB 82,108,200.

21. Short-term borrowings

(1) Classification of short-term borrowings

Unit: RMB

Type of borrowings	Ending balance	Beginning balance
Unsecured loan	142,000,000.00	142,000,000.00
In pledge for loan	30,000,000.00	30,000,000.00
Accrued interest on short-term borrowings	102,811.10	94,604.45
Total	**172,102,811.10**	**172,094,604.45**

22. Accounts payable

(1) Presentation of accounts payable

Unit: RMB

Item	Ending balance	Beginning balance
Payment for goods, labor, and services	26,062,784.04	41,864,909.45
Electricity expenses	1,291,003.86	796,684.64
Total	**27,353,787.90**	**42,661,594.09**

(2) Significant accounts payable aged over 1 year or overdue

Unit: RMB

Unit	Ending balance	Reason for non-repayment or carry-over
Shenzhen Fenghui Technology Co., Ltd.	5,133,354.18	Payment period not expired
Guangzhou Zike Environmental Protection Technology Co., Ltd.	1,872,500.00	Payment period not expired
Shenzhen Yongtai Digital Energy Technology Co., Ltd.	441,926.35	Warranty deposit not expired
Total	**7,447,780.53**	**—**

23. Other payables

Unit: RMB

Item	Ending balance	Beginning balance
Dividends payable	15,000,000.00	22,500,000.00
Other payables	12,224,007.81	10,823,386.05
Total	**27,224,007.81**	**33,323,386.05**

23.1 Dividends payable

Unit: RMB

Item	Ending balance	Beginning balance
Ordinary shares dividends	15,000,000.00	22,500,000.00
Total	**15,000,000.00**	**22,500,000.00**

23.2 Other payables

(1) Presentation of other payables by nature of payment

Unit: RMB

Nature of funds	Ending balance	Beginning balance
Labor and service fees	5,522,357.32	8,995,374.51
Cash deposit	851,095.72	1,254,325.72
Others	5,850,554.77	573,685.82
Total	**12,224,007.81**	**10,823,386.05**

(2) Other significant accounts payable aged over 1 year or overdue

Unit: RMB

Unit	Ending balance	Reason for non-repayment or carry-over
Zhongshan Xiwan Construction Investment Co., Ltd.	4,415,015.60	Payment period not expired
Zhongshan Environmental Protection Science Research Institute Co., Ltd.	536,792.46	Payment period not expired
Shenzhen Shennong Kitchen Co., Ltd.	300,000.00	Deposit not yet due for payment
Shenzhen Jinzhixin Investment Co., Ltd.	250,000.00	Deposit not yet due for payment
Zhongshan Nanlang Construction Development Co., Ltd.	166,492.72	Payment period not expired
Total	**5,668,300.78**	**—**

24. Contract liabilities

(1) Details of contract liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Advances for comprehensive energy services	5,185,301.61	
Advances for disposal of waste materials		130,796.46
Total	**5,185,301.61**	**130,796.46**

(2) No significant contract liabilities aged over 1 year

25. Employee compensation payable

(1) Presentation of employee compensation payable

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Short-term remuneration	19,496,493.95	52,060,175.15	66,732,085.95	4,824,583.15
Post-employment benefits-defined contribution plans	5,263,059.83	8,474,441.79	13,538,010.96	199,490.66
Dismissal benefits				
Other benefits due within one year				
Total	**24,759,553.78**	**60,534,616.94**	**80,270,096.91**	**5,024,073.81**

(2) Presentation of short-term compensation

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Salaries, bonuses, allowances and subsidies	18,743,848.06	42,307,982.32	56,579,522.11	4,472,308.27
Employee benefits	639,003.62	1,566,529.45	1,960,531.57	245,001.50
Social insurance premiums	4,780.79	2,670,759.89	2,675,401.73	138.95
Including: Medical insurance premiums	3,693.20	2,206,832.11	2,210,419.06	106.25
Work injury insurance premiums	694.70	248,004.51	248,666.51	32.70
Maternity insurance	392.89	215,923.27	216,316.16	

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
premiums				
Housing fund		4,592,174.56	4,592,174.56	
Labour union funds and education funds	108,861.48	922,728.93	924,455.98	107,134.43
Short-term compensated absences				
Short-term profit sharing plan				
Total	**19,496,493.95**	**52,060,175.15**	**66,732,085.95**	**4,824,583.15**

(3) Presentation of defined contribution plans

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Basic endowment management insurance	12,888.52	5,866,117.19	5,878,923.98	81.73
Unemployment insurance premiums	617.50	305,202.62	305,820.12	
Enterprise annuity payment	5,249,553.81	2,303,121.98	7,353,266.86	199,408.93
Total	**5,263,059.83**	**8,474,441.79**	**13,538,010.96**	**199,490.66**

26. Taxes payable

Unit: RMB

Item	Ending balance	Beginning balance
Value-added tax	9,580,490.01	7,325,234.37
Enterprise income tax	115,538.36	590,069.41
Personal income tax	608,601.23	389,405.86
Land use tax	515,328.95	
Property tax	453,733.31	
Stamp duty	58,514.65	160,274.65
Urban maintenance and construction tax	9,727.15	31,046.65
Education surcharge	4,040.21	13,305.70
Local education surcharge	2,693.47	8,870.47

Item	Ending balance	Beginning balance
Others		13,591.08
Total	**11,348,667.34**	**8,531,798.19**

27. Non-current liabilities maturing within one year

Unit: RMB

Item	Ending balance	Beginning balance
Long-term borrowings due within one year	5,620,014.06	4,156,564.01
Lease liabilities due within one year	4,515,527.22	3,184,246.73
Total	**10,135,541.28**	**7,340,810.74**

28. Other current liabilities

(1) Classification of other current liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Tax to be charged off	896,949.44	2,425,298.89
Total	**896,949.44**	**2,425,298.89**

29. Long-term borrowings

(1) Classification of long-term borrowings

Unit: RMB

Type of borrowings	Ending balance	Beginning balance
In pledge for loan	165,631,166.72	168,421,492.31
Total	**165,631,166.72**	**168,421,492.31**

30. Lease liabilities

Unit: RMB

Item	Ending balance	Beginning balance
Lease liabilities	36,976,628.85	27,852,266.89
Non-current liabilities maturing within one year	-4,515,527.21	-3,184,246.73
Total	**32,461,101.64**	**24,668,020.16**

Note: For details of matters related to new lease liabilities during the Reporting Period, please refer to the note description of VII. 15 Right-of-use assets in the notes to the financial statements.

31. Estimated liabilities

Unit: RMB

Item	Ending balance	Beginning balance	Reason for formation
Pending litigation (Note)	345,106.00	345,106.00	
Others	19,839.00	19,839.00	
Total	**364,945.00**	**364,945.00**	—

Note: It is mainly caused by the service agreement dispute between the Energy Technology Company, a subsidiary of the Company, and Xinjiang Shizilu Information Consulting Co., Ltd. The pending litigation involves present obligations, and the fulfillment of such obligations is likely to lead to an outflow of economic benefits from the Company. Since the relevant amount can be measured reliably, estimated liability of RMB 345,106.00 is accrued accordingly.

32. Deferred income

(1) Classification of deferred income

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reason for formation
Government Grants	41,913,447.41		3,172,940.10	38,740,507.31	See Table (2) for details
Total	**41,913,447.41**		**3,172,940.10**	**38,740,507.31**	—

(2) Government subsidy projects

Unit: RMB

Liabilities Item	Beginning Balance	Subsidy increase in the current period	Amount recognized as other income in the current period	Others Change	Ending Balance	Related to assets/income
Shenzhen Atmospheric Environment Quality Improvement Subsidy	38,871,469.92		2,365,909.08		36,505,560.84	Related to assets

Liabilities Item	Beginning Balance	Subsidy increase in the current period	Amount recognized as other income in the current period	Others Change	Ending Balance	Related to assets/income
Technical transformation investment project funding for 2021-2022	776,055.53		35,333.34		740,722.19	Related to assets
Sludge Drying Equipment Circular Economy Support Fund	690,253.34		63,783.60		626,469.74	Related to assets
Green Development Supporting and Industrial "Carbon Peaking" Support Plan to fund industrial energy resource conservation and comprehensive utilization projects	547,500.00		273,750.00		273,750.00	Related to assets
Government subsidies for low nitrogen equipment transformation	458,768.62		229,384.08		229,384.54	Related to assets
Industrial development fund subsidy	375,000.00		187,500.00		187,500.00	Related to assets
Motor energy efficiency improvement support plan subsidy	194,400.00		17,280.00		177,120.00	Related to assets
Total	**41,913,447.41**		**3,172,940.10**		**38,740,507.31**	

33. Share capital

Unit: RMB

Item	Beginning balance	Changes during the period (+, -)					Ending balance
		New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Others	Subtotal	
Total shares	**602,762,596.00**						**602,762,596.00**

34. Capital reserve

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Equity premium	233,035,439.62			233,035,439.62
Other capital reserves	129,731,962.76			129,731,962.76
Total	**362,767,402.38**			**362,767,402.38**

35. Other comprehensive income

Unit: RMB

Item	Beginning Balance	Amount in the current period						Ending Balance
		Amount before income tax in the current period	Less: Amount recognized as other comprehensive income in the previous period and transferred to profit or loss in the Reporting Period	Less: Amount recognized as other comprehensive income in the previous period and transferred to retained earnings in the Reporting Period	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
I. Other comprehensive income that cannot be reclassified as profits or losses	31,064,057.20							31,064,057.20
Including: changes in fair value of other equity instrument investments	31,064,057.20							31,064,057.20
II. Other comprehensive income		-3,928.35				-3,928.35		-3,928.35

Item	Beginning Balance	Amount in the current period						Ending Balance
		Amount before income tax in the current period	Less: Amount recognized as other comprehensive income in the previous period and transferred to profit or loss in the Reporting Period	Less: Amount recognized as other comprehensive income in the previous period and transferred to retained earnings in the Reporting Period	Less: Income tax expense	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
reclassified as profits and losses								
Including: Translation differences of financial statements in foreign currency		-3,928.35				-3,928.35		-3,928.35
Total of other comprehensive income	**31,064,057.20**	**-3,928.35**				**-3,928.35**		**31,060,128.85**

36. Special reserves

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Safety production fund	410,577.62	2,141,792.87	2,008,285.19	544,085.30
Total	**410,577.62**	**2,141,792.87**	**2,008,285.19**	**544,085.30**

Note: Pursuant to the *Administrative Measures for the Extraction and Use of Enterprise Work Safety Funds (Cai Zi [2022] No. 136)* (issued on December 12, 2022), the Company's electricity generation business extracts work safety funds and recognizes the same in current gains/losses, and simultaneously recognizes the same as special reserves.

37. Surplus reserves

Unit: RMB

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserves	310,158,957.87			310,158,957.87
Discretionary surplus reserves	22,749,439.73			22,749,439.73
Total	**332,908,397.60**			**332,908,397.60**

38. Undistributed profits

Unit: RMB

Item	Current period	Previous period
Retained earnings as at the end of the previous period before the adjustment	347,646,697.47	185,255,604.81
Adjustment to total undistributed profits at the beginning of the period (+ for increase and - for decrease)		
Including: retroactive adjustment to the Accounting Standards for Business Enterprises and relevant new regulations		
Change to accounting policies		

Item	Current period	Previous period
Correction of prior period errors		
Changes in the scope of consolidation under common control		
Other adjustment factors		
Undistributed profits at the beginning of the period after adjustment	347,646,697.47	185,255,604.81
Plus: Net profit attributable to owners of the parent company in this period	19,833,302.46	-21,739,509.64
Less: Appropriation of statutory surplus reserves		
Appropriation of discretionary surplus reserve		
Appropriation to general risk reserves		
Ordinary share dividends payable	19,288,403.07	
Ordinary share dividends transferred to capital stock		
Transfer of other comprehensive income into retained earnings		
Others		-1,352,892.26
Undistributed profits as at the end of the period	**348,191,596.86**	**164,868,987.43**

39. Operating revenue and operating costs

(1) Operating income and cost of sales

Unit: RMB

Item	Amount in the current period		Amount in the previous period	
	Income	Cost	Income	Cost
Principal activity	200,425,269.14	137,223,915.86	162,292,199.47	159,841,635.44
Other businesses	1,383,033.19	291,852.92	4,097,754.78	2,255,141.17
Total	**201,808,302.33**	**137,515,768.78**	**166,389,954.25**	**162,096,776.61**

(2) Breakdown by type of goods or services

Item	Amount in the current period		Amount in the previous period	
	Income	Cost	Income	Cost
Electricity generation and sales	140,852,547.67	111,003,693.03	145,150,536.76	147,223,840.47

Comprehensive energy services	68,683,447.91	35,292,417.16	27,098,360.08	21,157,322.09
Others	1,383,033.19	291,852.92	4,333,656.63	2,353,720.95
Offset upon consolidation	-9,110,726.44	-9,072,194.33	-10,192,599.22	-8,638,106.90
Total	**201,808,302.33**	**137,515,768.78**	**166,389,954.25**	**162,096,776.61**

(3) Breakdown by region

Item	Amount in the current period		Amount in the previous period	
	Income	Cost	Income	Cost
Domestic	199,486,835.48	136,700,079.55	166,389,954.25	162,096,776.61
Overseas	2,321,466.85	815,689.23	0.00	0.00
Total	**201,808,302.33**	**137,515,768.78**	**166,389,954.25**	**162,096,776.61**

(4) Income from contracts

Item	Amount in the current period	Amount in the previous period
	Income	Income
By contract performance obligation		
Including: Income recognized at a point of time	141,183,749.66	149,248,291.54
Income recognized over a period of time	60,624,552.67	17,141,662.71
Total	**201,808,302.33**	**166,389,954.25**

40. Taxes and surcharges

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Property tax	702,206.55	1,056,802.56
Land use tax	306,112.50	392,509.86
Urban maintenance and construction tax	288,118.77	339,762.60
Stamp duty	124,932.48	185,091.20
Education surcharge	123,563.47	145,567.18

Item	Amount in the current period	Amount in the previous period
Local education surcharge	82,375.66	97,044.77
Environmental protection tax	7,091.77	8,829.56
Vehicle and vessel tax	1,080.00	360.00
Total	**1,635,481.20**	**2,225,967.73**

41. Selling and distribution expenses

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Employee Compensation	1,780,038.05	871,824.28
Entertainment fees	252,461.08	34,674.90
Travel expenses	220,431.31	63,490.48
Technical service fees	38,173.59	
Intermediary fees	27,987.42	64,150.94
Office expenses	10,246.02	1,603.77
Lease expense	3,069.31	
Others	12,337.55	12,432.56
Total	**2,344,744.33**	**1,048,176.93**

42. G&A expenses

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Employee Compensation	24,160,521.87	23,431,922.15
Depreciation charges	2,709,128.99	3,078,250.26
Lease expense	2,199,837.54	2,458,091.14
Intermediary fees	687,168.92	1,155,172.36
Water, electricity, and property management fees	482,035.27	726,714.45
Greening and cleaning fees	459,191.10	361,632.93
Vehicle usage fees	338,809.28	453,043.27
Travel expenses	307,770.07	194,065.01

Item	Amount in the current period	Amount in the previous period
Amortization of intangible assets	257,515.50	178,015.80
Entertainment fees	250,067.57	534,218.98
Labor and technical service fees	248,593.75	103,763.73
Repair fees	180,411.71	212,903.23
Office expenses	162,875.03	156,835.02
Communication and information fees	133,391.10	373,785.16
Securities registration fees	47,098.05	21,366.15
Board of Directors' expenses	5,036.14	5,792.50
Others	715,368.95	740,712.06
Total	**33,344,820.84**	**34,186,284.20**

43. R&D expenses

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Employee Compensation	7,462,171.98	8,153,835.98
Depreciation charges	235,745.16	394,879.28
Others	2,205.00	3,720.00
Total	**7,700,122.14**	**8,552,435.26**

44. Financial expenses

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Interest expense	5,189,508.63	3,740,764.90
Less: Interest income	167,431.10	2,386,769.54
Add: Exchange loss	121,956.41	25,370.15
Other expenses	88,912.32	33,007.66
Total	**5,232,946.26**	**1,412,373.17**

45. Other income

Unit: RMB

Sources of other income	Amount in the current period	Amount in the previous period
Government Grants	3,181,039.21	3,172,940.10
Individual income tax refund	76,636.68	110,868.48
Others	9,000.00	29,250.00
Total	**3,266,675.89**	**3,313,058.58**

Government grants recognized as other income

Grants	Amount in the current period	Amount in the previous period	Related to assets/ Related to income
Shenzhen Atmospheric Environment Quality Improvement Subsidy	2,365,909.08	2,365,909.08	Related to assets
Green Development Supporting and Industrial "Carbon Peaking" Support Plan to fund industrial energy resource conservation and comprehensive utilization	273,750.00	273,750.00	Related to assets
Government subsidies for low nitrogen equipment transformation	229,384.08	229,384.08	Related to assets
Industrial development fund subsidy	187,500.00	187,500.00	Related to assets
Sludge Drying Equipment Circular Economy Support Fund	63,783.60	63,783.60	Related to assets
Technical transformation investment project funding for 2021-2022	35,333.34	35,333.34	Related to assets
Motor energy efficiency improvement support plan subsidy	17,280.00	17,280.00	Related to assets
Project subsidy to encourage profit-making service enterprises to expand and strengthen	5,099.11		Related to income
One-time job expansion subsidy	3,000.00		Related to income
Total	**3,181,039.21**	**3,172,940.10**	

46. Gains from changes in fair value

Unit: RMB

Sources of gains from changes in the fair value	Amount in the current period	Amount in the previous period
Trading financial assets	643,644.40	
Total	**643,644.40**	

47. Investment income

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Investment income from financial assets held for trading during the holding period	5,652,908.71	5,195,211.68
Returns on long-term equity investments calculated by the equity method	11,487,600.93	2,976,431.04
Dividend income from investments in other equity instrument during the holding period		5,600,000.00
Total	**17,140,509.64**	**13,771,642.72**

48. Credit loss

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Bad debt loss of accounts receivable	-2,159,157.71	
Total	**-2,159,157.71**	

49. Gains from disposal of assets

Unit: RMB

Source of gains from disposal of assets	Amount in the current period	Amount in the previous period
Gains on disposal of non-current assets	365,503.54	1,156,732.52
Total	**365,503.54**	**1,156,732.52**

50. Non-operating revenue

Unit: RMB

Item	Amount in the current period	Amount in the previous period	Amount included in the current non-recurring profit or loss
Recovery of historical legacy funds	263,914.26		263,914.26
Total	**263,914.26**		**263,914.26**

51. Non-operating expenses

Unit: RMB

Item	Amount in the current period	Amount in the previous period	Amount included in the current non-recurring profit or loss
Payment for liquidated damages and other funds	270.20	92,279.19	270.20
Total	**270.20**	**92,279.19**	**270.20**

52. Income tax expense

(1) Income tax expenses schedule

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Deferred income tax expense	5,133,433.23	
Income tax expenses for the current period	14,764.28	53,667.86
Total	**5,148,197.51**	**53,667.86**

(2) Adjustment process of accounting profits and income tax expenses

Unit: RMB

Item	Amount in the current period
Total consolidated profit in the current period	33,555,238.60
Income tax expense calculated at legal/applicable tax rate	5,033,285.79
Impact of different tax rates applied by subsidiaries	2,158,732.49
Impact of income tax in the periods before adjustment	
Impact of non-taxable income	-2,434,602.70

Item	Amount in the current period
Impacts of non-deductible costs, expenses, and losses	138,116.44
Impact of additional deduction for R&D expenses	-1,155,018.32
Impact of using deductible losses on the deferred tax assets not recognized previously	-932,204.58
Effect of deductible temporary differences or deductible losses from deferred tax assets unrecognized in the current period	-31,215,350.21
Income tax expense	**5,148,197.51**

53. Other comprehensive income

For details, please refer to "Note VII. 35 Other comprehensive income".

54. Items of statement of cash flows

(1) Cash related to operating activities

1) Cash generated from other operating activities

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Received current accounts, etc.	5,397,518.13	9,681,785.94
Recovered guarantee deposits	3,700,000.00	
Interest revenue	225,983.15	676,917.86
Income from government grants	75,193.90	110,868.48
Total	**9,398,695.18**	**10,469,572.28**

2) Cash used in other operating activities

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Paid guarantee deposits	123,136,578.90	
Expenses during payment term	9,989,384.72	7,982,293.72
Paid current accounts, etc.	1,282,764.03	1,498,618.82
Total	**134,408,727.65**	**9,480,912.54**

(2) Cash related to investing activities

1) Cash generated from other investing activities

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Cash from redemption of structural deposits, large-denomination certificates of deposit, etc.	74,958,596.95	
Recovery of principal and interest of loans from non-related parties		15,015,192.12
Total	**74,958,596.95**	**15,015,192.12**

2) Cash used in other investing activities

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Savings for structural deposits, large-denomination certificates of deposit, etc.		192,463,428.68
Cash paid for liquidation and deregistration of subsidiaries		1,181,765.23
Total		**193,645,193.91**

(3) Cash related to financing activities

1) Cash used in other financing activities

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Payment for principal and interest of lease liabilities	2,292,033.43	2,142,680.00
Total	**2,292,033.43**	**2,142,680.00**

2) Changes in liabilities arising from financing activities

Unit: RMB

Item	Beginning balance	Increase in the current period		Decrease in the current period		Ending balance
		Cash changes	Non-cash Change	Cash changes	Non-cash Change	
Short-term borrowings	172,094,604.45		1,929,824.39	1,921,617.74		172,102,811.10
Long-term borrowings	168,421,492.31				2,790,325.59	165,631,166.72
Non-current liabilities maturing within one year	7,340,810.74		9,216,090.49	5,961,617.92	459,742.03	10,135,541.28
Lease liabilities	24,668,020.16		7,852,966.54		59,885.06	32,461,101.64
Total	**372,524,927.66**		**18,998,881.42**	**7,883,235.66**	**3,309,952.68**	**380,330,620.74**

55. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

Unit: RMB

Supplementary information	Current amount	Amount for the previous period
1. Reconciliation of net profit to cash flows from operating activities:	—	—
Net profit	28,407,041.09	-25,036,572.88
Add: Provision for asset impairment		
Credit impairment loss	2,159,157.71	
Depreciation of fixed assets and investment property	16,896,355.70	11,460,327.94
Depreciation of right-of-use assets	2,875,149.18	2,876,532.54
Amortization of intangible assets	277,243.38	188,865.06
Amortization of long-term prepaid expense	1,042,096.32	854,717.25
Amortization of deferred income	-3,172,940.10	-3,172,940.10
Losses on disposal of fixed assets, intangible assets and other long-lived assets (" " indicates income)	-365,503.54	-1,156,732.52
Losses on scrap of fixed assets (" " indicates income)		
Losses on changes in fair value (" " indicates income)	-643,644.40	
Finance costs (" " indicates income)	5,232,946.26	1,412,373.17
Investment loss (" " indicates income)	-17,140,509.64	-13,771,642.72
Decrease in deferred tax assets ("-" for increase)	1,811.19	
Increase in deferred income tax liabilities (" " indicates decrease)	5,131,622.04	
Decrease in inventories (" " indicates increase)	-837,963.28	1,846,599.47
Decrease in accounts receivable generated from operating activities (" " indicates increase)	-116,719,238.51	318,259.02
Increase in accounts payable used in operating activities (" " indicates decrease)	-36,826,401.77	-38,073,551.74
Others		
Net cash generated from/used in operating	-113,682,778.37	-62,253,765.51

Supplementary information	Current amount	Amount for the previous period
activities		
2. Significant investment and financing activities not involving cash		
Conversion of liabilities into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Ending balance of cash	114,647,089.18	104,140,868.84
Less: beginning balance of cash	133,255,608.28	471,067,121.66
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-18,608,519.10	-366,926,252.82

(2) Breakdowns of cash and cash equivalents

Unit: RMB

Item	Ending balance	Beginning balance
I. Cash	114,647,089.18	133,255,608.28
Including: Cash on hand	29,648.02	30,635.37
Bank deposits available for payment at any time	113,605,282.34	133,224,939.08
Other monetary funds available for payment at any time	1,012,158.82	33.83
Deposits with central bank available for payment		
Deposits with banks and other financial institutions		
Placements with banks and other financial institutions		
II. Cash equivalents		
Including: investments in bonds maturing within three months		
III. Ending balance of cash and cash equivalents	114,647,089.18	133,255,608.28
Including: Cash and cash equivalents with restricted use right by the parent company or		

Item	Ending balance	Beginning balance
subsidiaries of the Company		

(3) Monetary funds not classified as cash and cash equivalents

Unit: RMB

Item	Current amount	Amount for the previous period	Reasons for not classifying the funds as cash and cash equivalents
Guarantee deposits, etc.	127,729,947.70	5,112,100.00	Frozen, restricted
Co-managed account funds	4,619,341.40		Co-managed accounts, payment restricted
Total	**132,349,289.10**	**5,112,100.00**	

56. Foreign currency monetary items

(1) Foreign currency monetary items

Unit: RMB

Item	Ending balance of foreign currency	Exchange rate	Ending balance of translated RMB
Monetary assets	—	—	7,016,903.90
Including: USD	952,264.41	6.8109	6,485,777.67
EUR	1,018.00	7.7671	7,906.91
HKD	589,516.82	0.8685	512,024.82
Singapore Dollar	2,128.03	5.2605	11,194.50

(2) Description of foreign operating entities, including, for significant foreign operating entities, disclosure of their principal place of business outside of the country, the recording currency and the basis of selection, and disclosure of the reasons for any change in the recording currency

Significant business entities overseas	Main place of business	Recording Currency	Basis of selection
Cambodia Branch, Shenzhen Shennan Power Gas Turbine Engineering	Cambodia	USD	Settlement currency for local business activities

Significant business entities overseas	Main place of business	Recording Currency	Basis of selection
Technology Co., Ltd.			

57. Lease

(1) The Company acted as lessee:

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Interest expense on lease liabilities	390,186.22	470,748.87
Total cash outflow related to leases	2,253,512.11	2,142,680.00

(2) The Company acted as the lessor

1） Operating lease as lessor

Item	Lease income	Including: revenue related to variable lease payments not included in lease receipts
House leasing	969,914.75	
Total	**969,914.75**	

VIII. R&D expenditures

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Employee Compensation	7,462,171.98	8,153,835.98
Depreciation charges	235,745.16	394,879.28
Others	2,205.00	3,720.00
Total	**7,700,122.14**	**8,552,435.26**
Including: Expensed R&D expenditure	7,700,122.14	8,552,435.26
Capitalized R&D expenditure		

IX. Changes in Consolidation Scope

1. Change of consolidation scope due to other reasons

(1) The Company invested and established a controlling subsidiary, Shennan Power Zhengmai Energy Technology (Shenzhen) Co., Ltd., which completed its industrial and commercial registration on May 22, 2026, and has been stated as the scope of the Company's consolidated financial statements since then.

(2) On June 30, 2026, the Company signed the *Capital Contribution and Cooperation Agreement on the Joint Establishment of Shennan Power Shangao Smart Energy (Shenzhen) Co., Ltd.* with Shandong Hi-Speed (Shenzhen) Investment Co., Ltd. to jointly establish Shennan Power Shangao Smart Energy (Shenzhen) Co., Ltd., which completed its industrial and commercial registration on July 21, 2026, and has been included in the scope of the Company's consolidated statements since then.

The Company disclosed the *Announcement on External Investment to Establish a Controlling Subsidiary* (Announcement No.: 2026-041) on the Shenzhen Stock Exchange on July 2, 2026, fulfilling its information disclosure obligations regarding the above matters.

X. Equity in other entities

1. Equity in the subsidiaries

(1) Compositions of the Group

Name of subsidiary	Main place of business	Shareholding percentage (%)		Acquisition method
		Direct	Indirect	
Shennan Power (Zhongshan) Electric Power Co., Ltd.	Zhongshan	80.00		Establishment
Shenzhen Shennan Power Gas Turbine Engineering Technology Co., Ltd.	Shenzhen	100.00		Establishment
Shenzhen Shennan Power Environmental Protection Co., Ltd.	Shenzhen	100.00		Establishment
Shenzhen Xiefu Energy Co., Ltd.	Shenzhen	50.00		Establishment
Shenzhen New Power Industrial Co., Ltd.	Shenzhen	100.00		Establishment
Shennan Energy (Singapore) Pte. Ltd.	Singapore	100.00		Establishment

Name of subsidiary	Main place of business	Shareholding percentage (%)		Acquisition method
		Direct	Indirect	
Hong Kong Xingdesheng Co., Ltd.	Hong Kong		100.00	Establishment
Shennan Power Xiwan Energy (Zhongshan) Co., Ltd.	Zhongshan		51.00	Establishment
Shennan Power Energy Technology (Sichuan) Co., Ltd.	Chengdu	75.00		Acquisition
Shennan Power Zhengmai Energy Technology (Shenzhen) Co., Ltd.	Shenzhen	51.00		Establishment

(2) Significant non-wholly-owned subsidiaries

Unit: RMB

Name of subsidiary	Shareholding of minority shareholders (%)	Profit or loss attributable to minority shareholders in this period	Dividends declared to be distributed to minority shareholders in this period	Balance of minority interests as at the end of the period
Shennan Power (Zhongshan) Electric Power Co., Ltd.	20.00	766,201.52		-12,438,227.04
Shennan Power Energy Technology (Sichuan) Co., Ltd.	25.00	-203,526.65		5,354,768.39

(3) Key financial information of significant non-wholly-owned subsidiaries

Unit: RMB

Name of subsidiary	Ending balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shennan Power (Zhongshan) Electric Power Co., Ltd.	471,991,978.71	205,995,685.90	677,987,664.61	550,503,474.38	205,493,090.82	755,996,565.20
Shennan Power Energy Technology (Sichuan) Co., Ltd.	99,249,823.85	4,013,659.55	103,263,483.40	81,121,027.96	444,193.39	81,565,221.35

(Continued)

Name of subsidiary	Beginning balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Shennan Power (Zhongshan) Electric Power Co., Ltd.	449,883,274.52	212,738,236.64	662,621,511.16	549,867,941.06	202,794,601.98	752,662,543.04
Shennan Power Energy Technology (Sichuan) Co., Ltd.	44,291,225.80	4,137,419.61	48,428,645.41	25,372,022.63	544,254.13	25,916,276.76

(Continued)

Name of subsidiary	Amount in the current period			
	Operating revenue	Net profit	Total comprehensive income	Net cash generated from/used in operating activities
Shennan Power (Zhongshan) Electric Power Co., Ltd.	38,910,196.34	11,902,174.23	11,902,174.23	51,875,726.41
Shennan Power Energy Technology (Sichuan) Co., Ltd.	3,520,854.64	-814,106.60	-814,106.60	-73,728,815.20

(Continued)

Name of subsidiary	Amount in the previous period			
	Operating revenue	Net profit	Total comprehensive income	Net cash generated from/used in operating activities
Shennan Power (Zhongshan) Electric Power Co., Ltd.	4,471,436.76	-10,630,183.09	-10,630,183.09	-1,672,568.49
Shennan Power Energy Technology (Sichuan) Co., Ltd.				

2. Equity in joint ventures or associates

(1) Summarized financial insignificant of unimportant joint ventures and associates

Unit: RMB

	Ending balance/amount incurred in the current period	**Beginning balance/amount incurred in previous period**
Associates:		
Total book value of investments	166,565,065.15	196,827,515.83
The total of following items according to the shareholding proportions		
-Net profit	11,248,316.94	8,867,883.86
-Other comprehensive income		
-Total comprehensive income	11,248,316.94	8,867,883.86

XI. Government grants

1. Liability items involving government grants

Unit: RMB

Account title	**Beginning balance**	**Subsidy increase in the current period**	**Amount recognized as non-operating income for the current period**	**Amount transferred to other income for the current period**
Deferred income	41,913,447.41			3,172,940.10

(Continued)

Account title	**Other changes in the current period**	**Ending balance**	**Related to assets/ income**
Deferred income		**38,740,507.31**	Related to assets

2. Government grants included in the current profit or loss

Unit: RMB

Account title	**Amount in the current period**	**Amount in the previous period**
Other income	3,172,940.10	3,172,940.10

XII. Risks associated with financial instruments

The Company's main financial instruments are equity investments, long-term and short-term borrowings, accounts receivable, accounts payable, other receivables, etc., which result in various financial instrument risks in its daily business operations, mainly including exchange rate risks, interest rate risks, price risks, credit risks, and liquidity risks. The risks associated with these financial instruments and the risk management policies adopted by the Company to mitigate such risks are described below. The Management of the Company manages and monitors risk exposures to keep such risks under control within the limited scope.

The Company adopts sensitivity analysis to analyze the possible impact of reasonable and possible changes of risk variables on the current gains/losses or shareholders' equity. As any risk variable seldom changes in isolation, and the correlation between the variables will have a significant effect on the final affected amount of the change of a risk variable, the following contents are carried out under the assumption that the change of each variable is independently.

1. Management objectives and policies for risks

The Company's objective in engaging in risk management is to achieve an appropriate balance between risks and returns, minimize the negative impact of risks on the Company's operation, and maximize the interests of shareholders and other equity investors. Based on such risk management objective, the Company's basic risk management strategy is to determine and analyze risks , establish an appropriate risk tolerance bottom line and risk management, and timely and reliable supervision of all risks, to control the risks within the limited scope.

(1) Market risks

1) Exchange rate risk

Exchange rate risks refer to the risks that the fair value or future cash flows of a financial instrument may fluctuate due to changes in foreign exchange rates. The Company tries to align foreign currency income with foreign currency expenditures to mitigate exchange rate risks. In addition, the Company may also sign forward foreign exchange contracts or currency swap contracts to achieve the purpose of hedging exchange rate risks. During the current and previous periods, the Company did not sign any forward foreign exchange contract or currency swap contract.

The exchange rate risks faced by the Company mainly arise from financial assets and liabilities denominated in foreign currencies. The amount of financial assets and liabilities in foreign currencies converted into RMB are presented as follows:

Unit: RMB

Item	Ending balance	Beginning balance
Monetary funds - USD	6,485,777.67	5,924,483.72
Monetary funds - Other foreign currencies	531,126.23	125,117.98
Total	**7,016,903.90**	**6,049,601.70**

2) Interest rate risk

Interest rate risks refer to the risks that the fair value or future cash flows of a financial instrument may fluctuate due to changes in market interest rates. The risk of changes in cash flows of financial instruments caused by interest rate changes is mainly related to bank borrowings with floating interest rates. The sensitivity analysis of interest rate risks is based on the following assumptions:

Changes in market interest rates may affect the interest income or expense of variable-rate financial instruments; for fixed-rate financial instruments measured at fair value, changes in market interest rates only affect the interest income or expense; for derivative financial instruments designated as hedging instruments, changes in market interest rates affect the fair value, and all interest rate hedges are expected to be highly effective; the discounted cash flow method is used to calculate the fair value changes of derivative financial instruments and other financial assets and liabilities based on the market interest rates on the balance sheet date.

(2) Credit risk

Credit risks refer to the risks that one party to a financial instrument fails to discharge an obligation, resulting in financial losses to the other party. The Company is mainly exposed to customer credit risks caused by sales on credit. Before signing a new agreement, the Company evaluates the credit risks of new customers, including external credit ratings and, in some cases, bank reference letters (if available). The Company has set a credit limit for each customer, namely the maximum amount without requisite additional approval.

The Company keeps overall credit risks under control through quarterly monitoring of the credit ratings of existing customers and monthly review of the aging analysis of accounts receivable. In monitoring the credit risks of customers, they are grouped according to credit characteristics. Customers rated as "high risk" are placed on the restricted customer list, and only with additional approval may the Company sell on credit in future periods; otherwise, customers are required to pay in advance.

(3) Liquidity risks

Liquidity risks refer to the risks that an enterprise may encounter a shortage of funds when performing obligations settled by delivering cash or other financial assets. The Company's policy is to ensure that it has sufficient cash to repay mature debts. Liquidity risks are managed and controlled by the Financial Department of the Company to ensure sufficient funds to repay debts under all reasonably foreseeable circumstances by monitoring cash balances, marketable securities that can be realized at any time and roll forecasts of cash flows for the next 12 months.

2. Sensitivity analysis

The Company adopts sensitivity analysis to analyze the possible impact of reasonable and possible changes of risk variables on the current gains/losses or shareholders' equity. As any risk variable seldom changes in isolation, and the correlation between the variables will have a significant effect on the final affected amount of the change of a risk variable, the following contents are carried out under the assumption that the change of each variable is independently.

(1) Sensitivity analysis of foreign exchange risks

Assumption for the sensitivity of foreign exchange risk: All net investment hedging and cash flow hedging of overseas operations are highly effective.

On the basis of the above assumption, provided that other variables remain unchanged, the impact of reasonable changes in the exchange rate on current gains/losses and equity after tax is as follows:

Unit: RMB

Item	Exchange rate fluctuations	Amount in the current period		Amount in the previous period	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
All foreign currencies	Revaluation against RMB by 5%	350,845.19	350,845.19	308,890.90	308,890.90
All foreign currencies	Depreciation against RMB by 5%	-350,845.19	-350,845.19	-308,890.90	-308,890.90

(2) Sensitivity analysis of interest rate risks

Sensitivity analysis of interest rate risk is based on the following assumptions:

Changes in market interest rates affect the interest income or expense of financial instruments with variable interest rates;

For financial instruments with fixed interest rates measured at fair value, market interest rate changes affect only their interest income or expense;

Changes in the fair values of derivative financial instruments and other financial assets and liabilities are calculated at the market interest rate on the balance sheet date by discounted cash flow.

As of June 30, 2026, the interests of the Company's bank borrowings with floating interest rates totaled RMB 4,360,995.62, of which the interests of short-term borrowings with floating interest rates were RMB 1,929,824.44, and those of long-term borrowings were RMB 2,431,171.18. On the basis of the above assumptions, if other variables remain unchanged, the pre-tax impact of an assumed change in interest rates of 50 basis points on the current gains/losses and shareholders' equity is as follows:

Unit: RMB

Item	Interest rate fluctuations	Amount in the current period		Amount in the previous period	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
Borrowings at floating interest	Increased by 50 basis points	-218,049.78	-218,049.78	-67,598.13	-67,598.13

rates					
Borrowings at floating interest rates	Decreased by 50 basis points	218,049.78	218,049.78	67,598.13	67,598.13

XIII. Disclosure of fair value

The input values used for fair value measurement are divided into three levels:

The Level-1 input is an unadjusted quoted price in an active market for the same assets and liabilities available on the measurement date.

Level 2 input value is the directly or indirectly observable input value of the relevant assets or liabilities except for the level 1 input value.

The Level-3 inputs are the unobservable inputs of related assets and liabilities.

The level to which the fair value measurement result belongs is determined by the lowest level that is significant to the fair value measurement as a whole.

1.Year-end fair value of assets and liabilities measured at fair value

Unit: RMB

Item	Fair value as at the end of the period			
	Level-1 fair value measurement	**Level-2 fair value measurement**	**Level-3 fair value measurement**	**Total**
I. Continuous fair value measurement	—	—	—	—
(I) Trading financial assets			50,643,644.40	50,643,644.40
1. Financial assets measured at fair value through current profit or loss				
2. Financial assets designated to be measured at fair value through current gains/losses			50,643,644.40	50,643,644.40
(1) Investments in debt				

Item	Fair value as at the end of the period			
	Level-1 fair value measurement	Level-2 fair value measurement	Level-3 fair value measurement	Total
instruments				
(2) Investments in equity instruments			50,643,644.40	50,643,644.40
(II) Other debt investments				
(III) Other equity instrument investments			234,179,057.20	234,179,057.20
Total assets continuously measured at fair value			**284,822,701.60**	**284,822,701.60**

2. Qualitative and quantitative valuation techniques and important parameters of sustainable and non-sustainable items measured on the basis of fair value of level 2

The fair value of ending structural deposits is subject to the forecast of future cash flows according to the product type and yield.

3、 Qualitative and quantitative data on valuation techniques and important parameters adopted for projects continuously and non-continuously measured at Level-3 fair value

For non-trading equity instrument investments and private equity investments, the Company uses valuation techniques to determine their fair value. The valuation models used are mainly discounted cash flow model and market comparable company model. The inputs of valuation techniques mainly include risk-free interest rate, benchmark interest rate, exchange rate, credit spread, liquidity premium, and illiquidity discount.

XIV. Related parties and related party transactions

1. Parent company

No shareholder of the Company holds 50% or more shares, and none forms a control over the Company through other means. Therefore, the Company does not have a parent company.

2. Subsidiaries of the Company

Please refer to "Note X.1. (1) Subsidiaries" for the information of subsidiaries.

3. Other related parties

Names of other related parties	Relationship between other related parties with the COOEC
Shenzhen Energy Group Co., Ltd.	Legal persons holding 5% or more shares of the Company
Hong Kong Nam Hoi (International) Limited	Legal persons holding 5% or more shares of the Company
Shenzhen Guangju Industrial Co., Ltd.	Legal persons holding 5% or more shares of the Company
Shenzhen Capital Holdings Co., Ltd.	Legal persons indirectly holding 5% or more shares of the Company
Shenzhen Guangju Energy Co., Ltd. and its subsidiaries	Shenzhen Guangju Energy Co., Ltd. is a legal person indirectly holding 5% or more shares of the Company.
Shenzhen MTC Co., Ltd.	An enterprise controlled by Shenzhen Capital Holdings Co., Ltd.
Shenzhen Clou Electronics Co., Ltd.	An affiliate in which Shenzhen Capital Holdings Co., Ltd. holds shares
Shenzhen IBE Green Technology Culture Co., Ltd.	An affiliate ultimately controlled by Shenzhen Capital Holdings Co., Ltd.
Directors and senior executives of the Company	Key management personnel

4. Related party transactions

(1) Related party transactions on purchase and sales of goods, rendering and receipt of services

1) Purchase of goods/receipt of services

Unit: RMB

Related party	Content of related-party transactions	Amount in the current period	Amount in the previous period
Shenzhen Institute of Building Research Co., Ltd. and its subsidiaries	Provision of event venues, materials, etc.		6,080.00
Shenzhen Clou Electronics Co., Ltd. and its subsidiaries	Energy management services		2,158,000.00
Total			**2,164,080.00**

2) Sales of goods/ rendering of services

Unit: RMB

Related party	Content of related-party transactions	Amount in the current period	Amount in the previous period
Shenzhen MTC Co., Ltd.	Energy management services	670,905.29	780,548.34
Total		**670,905.29**	**780,548.34**

(2) Guarantee of related parties

During the Reporting Period, the Company had no related party guarantee.

(3) Remuneration of key management personnel

Item	Amount in the current period	Amount in the previous period
Remuneration for key management personnel	RMB 2,371,200	RMB 2,725,500

5. Balance of amount receivable and payable by related parties

(1) Receivables

Unit: RMB

Project	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Shenzhen Energy Group Co., Ltd.	6,535,090.73		6,535,090.73	
Accounts receivable	Shenzhen MTC Co., Ltd.	125,852.94		250,027.10	
Contract assets	Shenzhen MTC Co., Ltd.	233,260.26		112,005.13	
Contract assets	China Technology Development Group Corporation			1,664.15	
Accounts receivable	Shenzhen Clou Electronics Co., Ltd. and its subsidiaries	8,502.00		66,264.00	
Contract assets	Shenzhen Clou Electronics Co., Ltd.	139,330.00		139,330.00	
Other receivables	Shenzhen Clou Electronics Co., Ltd.			330,829.51	
Total		**7,042,035.93**		**7,435,210.62**	

(2) Payables

Unit: RMB

Project	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts payable	Shenzhen Clou Electronics Co., Ltd. and its subsidiaries	16,950.00		900,000.00	
Total		**16,950.00**		**900,000.00**	

XV. Commitments and Contingencies

1. Significant commitments

(1) Information on letters of guarantee issued as of June 30, 2026

The Company's subsidiary, Energy Technology Company, issued a performance guarantee of RMB 68.2071 million through Shenzhen Yuncheng Branch of China Merchants Bank, of which RMB 36.7269 million will expire on December 24, 2026, and RMB 31.4802 million will expire on June 24, 2027.

The Company's subsidiary, Shennandian Engineering Company, issued a performance guarantee of USD 5.1559 million through Shenzhen Branch of China Merchants Bank (equivalent to approximately RMB 35.9734 million, based on the central parity rate of 6.9771 announced on the official website of the People's Bank of China on January 29, 2026), which will expire on February 28, 2035.

The Company issued a performance guarantee of USD 5.1559 million for Shennandian Engineering Company through Shenzhen Branch of China Merchants Bank (equivalent to approximately RMB 35.3841 million, based on the central parity rate of 6.8628 announced on the official website of the People's Bank of China on April 30, 2026), which will expire on February 28, 2035. For details, please refer to the *Progress Announcement on Providing Guarantees for Holding Subsidiaries in 2026* (Announcement No.: 2026-033) disclosed by the Company on *Securities Times* and CNINFO on May 7, 2026.

The Company applied to Shenzhen Branch of Industrial Bank Co., Ltd. for the issuance of a payment guarantee of RMB 30,000,000 within the credit line, which will expire on July 10, 2026.

(2) Other Commitments

As of June 30, 2026, except for the above-mentioned matters, the Company had no other important commitments subject to disclosure.

2. Contingencies

As of June 30, 2026, the Company had no important contingencies subject to disclosure.

XVI. Matters following the Balance Sheet Date

As of June 30, 2026, the Company had no other subsequent matters subject to disclosure.

XVII. Other Significant Matters

1. Annuity plan

According to the enterprise annuity plan, the Company accrues and pays enterprise annuities at 8% of employees' salaries.

2. Segment

Determination basis and accounting policies for reporting segments

For management purposes, the Company and its subsidiaries are divided into business units based on products and services, and the Company has the following three reporting segments:

 Electricity generation and sales segment;

 Comprehensive energy services segment;

 Other segments.

The Management of the Company regularly evaluates the operating results of the segments to determine the allocation of resources and evaluate their performance.

Information on segment reporting is disclosed according to the accounting policies and measurement standards adopted by each segment when reporting to the management, and these measurement bases are consistent with the accounting and measurement bases when preparing the financial statements.

Financial information of reporting segments

Unit: RMB

Item	Electricity generation and sales segment	Comprehensive energy services segment	Other segments	Inter-segment offset	Total
Operating revenue	141,374,845.61	68,683,447.91	860,735.25	9,110,726.44	201,808,302.33
Cost of sales	111,216,000.11	35,292,417.16	79,545.84	9,072,194.33	137,515,768.78
Total assets	2,322,419,505.68	615,615,961.20	1,007,180,497.30	1,647,188,518.94	2,298,027,445.24
Total liabilities	518,245,328.23	349,800,629.34	567,467,224.23	924,066,664.65	511,446,517.15

XVIII. Notes to the main items of the parent company's financial statements

1. Accounts receivable

(1) Disclosure by aging

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	61,744,388.17	42,375,469.95
Total	**61,744,388.17**	**42,375,469.95**

(2) Disclosure by provision method for bad debts

Unit: RMB

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item					
Provision for bad debts accrued by credit risk portfolio	61,744,388.17	100.00			61,744,388.17
Total	**61,744,388.17**	**100.00**			**61,744,388.17**

(Continued)

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad					

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
debts by the single item					
Provision for bad debts accrued by credit risk portfolio	42,375,469.95	100.00			42,375,469.95
Total	**42,375,469.95**	**100.00**			**42,375,469.95**

1) Provision for bad debts of accounts receivable by portfolio

Unit: RMB

Aging	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Portfolio 2: Receivables from electricity generation and sales	61,744,388.17		
Total	**61,744,388.17**		

(3) No provision for bad debts accrued, recovered, or reversed in the current period

(4) No actual write-off of accounts receivable for the current period

(5) Top five accounts receivable by the debtor in terms of the ending balance and contract assets

Unit: RMB

Unit	Ending balance of accounts receivable	Ending balance of contract assets	Ending balances of accounts receivable and contract assets	Ratio to the total amount of ending balance of accounts receivable and contract assets (%)	Ending balance of provision for bad debts of accounts receivable and contract assets
Shenzhen Power Supply Bureau Co., Ltd.	61,744,388.17		61,744,388.17	100.00	
Total	**61,744,388.17**		**61,744,388.17**	**100.00**	

2. Other receivables

Unit: RMB

Item	Ending balance	Beginning balance
Interest receivable		
Dividends receivable	15,000,000.00	22,500,000.00
Other receivables	594,229,534.27	545,995,288.27
Total	**609,229,534.27**	**568,495,288.27**

(1) Dividends receivable

1) Classification of dividends receivable

Unit: RMB

Project (or investees)	Ending balance	Beginning balance
Shenzhen Xiefu Energy Co., Ltd.	15,000,000.00	22,500,000.00
Total	**15,000,000.00**	**22,500,000.00**

2) No significant dividends receivable aged over 1 year in the current period

3) No provision for bad debts accrued, recovered, or reversed in the current period

4) No actual write-off of dividends receivable for the current period

(2) Other receivables

1) Classification of other receivables by nature of payment

Unit: RMB

Nature of funds	Ending book balance	Beginning book balance
Transactions with related parties within the consolidation scope	591,941,286.62	543,701,490.46
Other receivables and temporary payments	15,000,581.55	14,992,669.25
Historical legacy funds	11,724,938.94	11,724,938.94
Margin and deposit	1,498,563.54	1,545,040.06
Receivables from employees	109,076.26	76,062.20
Total	**620,274,446.91**	**572,040,200.91**

2) Disclosure by aging

Unit: RMB

Aging	Ending book balance	Beginning book balance
Within 1 year (inclusive)	85,184,758.06	35,229,834.56
1-2 years	49,766,118.54	51,486,796.04
2-3 years	459,260,749.28	459,260,749.28
Over 3 years	26,062,821.03	26,062,821.03
Total	**620,274,446.91**	**572,040,200.91**

3) Disclosure by provision method for bad debts

Unit: RMB

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	26,044,912.64	4.20	26,044,912.64	100.00	

Type	Ending balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by portfolio	594,229,534.27	95.80			594,229,534.27
Total	**620,274,446.91**	**100.00**	**26,044,912.64**	**4.20**	**594,229,534.27**

(Continued)

Type	Beginning balance				
	Book balance		Provision for bad debts		Book value
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Provision set aside for bad debts by the single item	26,044,912.64	4.55	26,044,912.64	100.00	
Provision set aside for bad debts by portfolio	545,995,288.27	95.45			545,995,288.27
Total	**572,040,200.91**	**100.00**	**26,044,912.64**	**4.55**	**545,995,288.27**

Provision for bad debts of other receivables by single item

Unit: RMB

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
Huiyang Kangtai Industrial Co., Ltd.	14,311,626.70	14,311,626.70	14,311,626.70	14,311,626.70	100.00	Historical legacy issues, which are expected to be unrecoverable
Dividends and taxes	9,988,934.78	9,988,934.78	9,988,934.78	9,988,934.78	100.00	

Name	Beginning balance		Ending balance			
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision percentage (%)	Reasons for the provision
receivable from employee benefit fund						
Receivables from the purchase of employee dormitories	1,736,004.16	1,736,004.16	1,736,004.16	1,736,004.16	100.00	
Others	8,347.00	8,347.00	8,347.00	8,347.00	100.00	
Total	**26,044,912.64**	**26,044,912.64**	**26,044,912.64**	**26,044,912.64**	—	—

□ **Provision set aside for bad debts of other receivables by portfolio**

Unit: RMB

Aging	Ending balance		
	Book balance	Provision for bad debts	Provision percentage (%)
Portfolio 4: Transactions with related parties within the consolidation scope	591,941,286.62		
Portfolio 5: Margin, deposit, and petty cash portfolio	1,498,563.54		
Portfolio 7: Other receivables and temporary payments	789,684.11		
Total	**594,229,534.27**		**—**

□ **Provision set aside for bad debts of other receivables by the general expected credit loss model**

Unit: RMB

Provision for bad debts	Phase I	Phase II	Phase III	Total
	Expected credit loss for the next 12 months	Expected credit loss during the whole outstanding maturity (without credit impairment)	Expected credit loss during the whole outstanding maturity (with credit impairment)	
Balance as of January 1, 2026			26,044,912.64	26,044,912.64
Balance as of January 1, 2026 in the current period	—	—	—	—
-- Transfer to Stage II				
-- Transfer to Stage III				
-- Reversal to Stage II				
-- Reversal to Stage I				
Provision for the current period				
Reversal in this period				
Charge-off in the current period				
Write-off in the current period				
Other changes				
Balance as of June 30, 2026			26,044,912.64	26,044,912.64

4） **Provision for bad debts accrued, recovered, or reversed in the current period**

Unit: RMB

Type	Beginning balance	Changes in the current period				Ending balance
		Provision	Recovered or reversed	Charge-off or write-off	Others	
Provision set aside for bad debts by the single item	26,044,912.64					26,044,912.64

Type	Beginning balance	Changes in the current period				Ending balance
		Provision	Recovered or reversed	Charge-off or write-off	Others	
Provision for bad debts accrued by credit risk portfolio						
Total	**26,044,912.64**					**26,044,912.64**

Of which, there was no recovery or reversal of provision for bad debts with significant amounts in the current period.

5) No actual write-off of other receivable for the current period

6) Other receivables of the top five ending balances collected by debtor

Unit: RMB

Unit	Nature of funds	Ending balance	Aging	Ratio to the total ending balance of other receivables (%)	Provision for bad debts Ending balance
Shennan Power (Zhongshan) Electric Power Co., Ltd.	Transactions with related parties within the consolidation scope	526,007,448.55	Within 1 year, 1-2 years, 2-3 years	84.80	
Shennan Power Energy Technology (Sichuan) Co., Ltd.	Transactions with related parties within the consolidation scope	56,827,500.23	Within 1 year	9.16	
Huiyang Kangtai	Transaction	14,311,626.70	Over 5 years	2.31	14,311,626.70

Unit	Nature of funds	Ending balance	Aging	Ratio to the total ending balance of other receivables (%)	Provision for bad debts Ending balance
Industrial Co., Ltd.	s with external agencies				
Dividends and taxes receivable from employee benefit fund	Receivables from employees	9,988,934.78	Over 5 years	1.61	9,988,934.78
Shennan Power Gas Turbine Engineering Technology Co., Ltd.	Transactions with related parties within the consolidation scope	6,013,355.81	Within 1 year	0.97	
Total	**—**	**613,148,866.07**	**—**	**98.85**	**24,300,561.48**

7) Centralized fund management

Unit: RMB

Amount reported as other receivables due to centralized fund management	582,035,312.24
Description	Due to the centralized fund management of the Company, the principal and interest receivable from subsidiaries is RMB 531,035,025.34, and the principal and interest payable to subsidiaries is RMB 51,000,286.90.

3. Long-term equity investments

Unit: RMB

Item	Ending balance		
	Book balance	Provision for impairment	Book value
Investment in subsidiaries	1,068,895,126.58	445,002,245.26	623,892,881.32

Item	Ending balance		
	Book balance	Provision for impairment	Book value
Investments in associates and joint ventures	101,058,390.14		101,058,390.14
Total	**1,169,953,516.72**	**445,002,245.26**	**724,951,271.46**

(Continued)

Item	Beginning balance		
	Book balance	Provision for impairment	Book value
Investment in subsidiaries	1,068,895,126.58	445,002,245.26	623,892,881.32
Investments in associates and joint ventures	97,697,539.79		97,697,539.79
Total	**1,166,592,666.37**	**445,002,245.26**	**721,590,421.11**

(1) Investment in subsidiaries

Unit: RMB

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Increase/decrease in this period				Ending balance (Book value)	Provision for impairment Ending balance
			Additional investment	Decrease in investment	Provision for impairment	Others		
Shenzhen Shennan Power Environmental Protection Co., Ltd.	49,639,016.04	20,552,688.77					49,639,016.04	20,552,688.77
Shenzhen Xiefu Energy Co., Ltd.	26,650,000.00						26,650,000.00	
Shennan Power Gas Turbine Engineering Technology Co., Ltd.	94,460,360.00						94,460,360.00	
Shennan Power (Zhongshan) Electric Power Co., Ltd.	1.00	410,740,000.00					1.00	410,740,000.00
Shennan Energy (Singapore) Pte.	6,703,800.00						6,703,800.00	

Investee	Beginning balance (Book value)	Provision for impairment Beginning balance	Increase/decrease in this period				Ending balance (Book value)	Provision for impairment Ending balance
			Additional investment	Decrease in investment	Provision for impairment	Others		
Ltd.								
Shennan Power Energy Technology (Sichuan) Co., Ltd.	16,540,285.02						16,540,285.02	
Shenzhen New Power Industrial Co., Ltd.	429,899,419.26	13,709,556.49					429,899,419.26	13,709,556.49
Total	**623,892,881.32**	**445,002,245.26**					**623,892,881.32**	**445,002,245.26**

Investments in associates and joint ventures

Unit: RMB

Investee	Beginning balance (book value)	Beginning balance of provision for impairment	Increase/decrease in this period			
			Additional investment	Decrease in investment	Profit or loss of investment recognized by the equity method	Adjustments to other comprehensive income
I. Associates						

Investee	Beginning balance (book value)	Beginning balance of provision for impairment	Increase/decrease in this period			
			Additional investment	Decrease in investment	Profit or loss of investment recognized by the equity method	Adjustments to other comprehensive income
Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.	97,697,539.79				4,372,975.35	
Total	**97,697,539.79**				**4,372,975.35**	

(Continued)

Investee	Increase/decrease in this period				Ending balance (book value)	Balance of provision for impairment as at the end of the period
	Changes in Other Equities	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
I. Associates						
Jiangsu Liaoyuan Environmental Protection Technology Co., Ltd.		1,012,125.00			101,058,390.14	
Total		**1,012,125.00**			**101,058,390.14**	

4. Operating revenue and operating costs

(1) Operating income and cost of sales

Unit: RMB

Item	Amount in the current period		Amount in the previous period	
	Income	Cost	Income	Cost
Principal activity	140,852,547.67	111,003,693.03	145,150,536.76	147,170,247.98
Other businesses	522,297.94	212,307.08	317,087.30	78,538.43
Total	**141,374,845.61**	**111,216,000.11**	**145,467,624.06**	**147,248,786.41**

(2) Breakdown of operating revenue and cost of sales

Unit: RMB

Item	Current amount		Amount for the previous period	
	Income	Cost	Income	Cost
Electricity generation and sales	140,852,547.67	111,003,693.03	145,150,536.76	147,170,247.98
Others	522,297.94	212,307.08	317,087.30	78,538.43
Total	**141,374,845.61**	**111,216,000.11**	**145,467,624.06**	**147,248,786.41**

(3) Breakdown by region

Unit: RMB

Item	Current amount		Amount for the previous period	
	Income	Cost	Income	Cost
Domestic	141,374,845.61	111,216,000.11	145,467,624.06	147,248,786.41
Total	**141,374,845.61**	**111,216,000.11**	**145,467,624.06**	**147,248,786.41**

(4) Income from contracts

Unit: RMB

Item	Current amount	Amount for the previous period
	Income	Income
By contract performance obligation		
Including: Income recognized at a point of time	141,183,749.66	145,293,499.38
Income recognized over a period of time	191,095.95	174,124.68
Total	**141,374,845.61**	**145,467,624.06**

5. Investment income

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Returns on long-term equity investments calculated by the equity method	4,372,975.35	2,976,431.04
Investment income from financial assets held for trading during the holding period	5,224,940.09	5,195,211.68
Investment income generated from liquidation and deregistration of subsidiaries		-342,310.70
Total	**9,597,915.44**	**7,829,332.02**

XIX. Supplementary Information

1. Breakdown of current non-recurring profit or loss

Unit: RMB

Item	Current amount	Description
Profit or losses on disposal of non-current assets (including the portion offset for provisions for asset impairment)	365,503.54	
Government grants included in profit and loss of the current period (except for government subsidies that are closely related to the Company's normal business operation, comply with national policies and are enjoyed in accordance with defined criteria, and have a continuing impact on the Company's profit or loss)	17,099.11	
Gains/losses on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that arise in the Company’s ordinary course of business)	10,814,446.43	
Dispossession surcharge to non-financial institutions included in the current gains/losses		
Gains/ losses on entrusting others with investments or asset management		
Gains/losses on loan entrustment		
Losses on assets resulted from force majeure such as natural disasters		
Reversed portions of impairment allowances for receivables which are tested individually for impairment		

Item	Current amount	Description
Gains arising from business combination when the investment cost is less than the recognized fair value of net assets of the investee		
Current net gains/losses of subsidiaries acquired in business merger under the same control from period-beginning to combination date		
Gains/losses on non-monetary asset swap		
Gains/losses on debt restructuring		
Non-recurring expenses incurred by the enterprise as a result of the discontinuation of a related operating activity, such as expenses for relocating employees		
One-time impact on the current gains/losses due to adjustments in tax, accounting and other laws and regulations		
One-time recognition of share-based payment expense due to cancellation and modification of equity incentive plans		
Cash-settled share-based payments, gains and losses arising from changes in the fair value of employee compensation payable after the date of exercisability		
Gains/losses on change in fair value of investment property subject to follow-up measurement at fair value method		
Gains from transactions at significantly unfair prices		
Gains/losses arising from contingencies unrelated to the normal operation of the Company's business		
Custodian fees earned from entrusted operation		
Non-operating revenue and expenses other than the above	263,644.06	
Other gains/losses that meet the definition of non-recurring gains/losses		
Subtotal	11,460,693.14	
Less: Income tax effects	51,938.99	
Minority equity effects (after tax)	230,296.98	
Total	**11,178,457.17**	—

2. Return on net assets and earnings per share

Profit for the reporting period	Weighted average Return on net assets (%)	Earnings per share (RMB/share)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary	1.18%	0.0329	0.0329

Profit for the reporting period	**Weighted average Return on net assets (%)**	**Earnings per share (RMB/share)**	
		Basic earnings per share	**Diluted earnings per share**
shareholders of the parent company			
Net profit attributable to ordinary shareholders of the parent company before non-recurring gains and losses	0.56%	0.0157	0.0157

Shenzhen Nanshan Power Co., Ltd.

August 21, 2026